

# CABINET

## MAYOR

Mayor John Biggs

## CABINET MEMBERS

Councillor Sirajul Islam	(Statutory Deputy Mayor and Cabinet Member for Housing)
Councillor Amina Ali	(Cabinet Member for Environment)
Councillor Rachel Blake	(Cabinet Member for Strategic Development & Waste)
Councillor Asma Begum	(Cabinet Member for Community Safety)
Councillor David Edgar	(Cabinet Member for Resources)
Councillor Denise Jones	(Cabinet Member for Health & Adult Services)
Councillor Abdul Mukit MBE	(Cabinet Member for Culture and Youth)
Councillor Joshua Peck	(Cabinet Member for Work & Economic Growth)
Councillor Amy Whitelock Gibbs	(Cabinet Member for Education and Children's Services)

[The quorum for Cabinet is 3 Members]

## MEETING DETAILS

**Tuesday, 20 March 2018 at 5.00 p.m.**  
**C1, 1st Floor, Town Hall, Mulberry Place, 5 Clove Crescent, London, E14 2BG**

**The meeting is open to the public to attend.**

## Further Information

The public are welcome to attend meetings of the Cabinet. Procedures relating to Public Engagement are set out in the 'Guide to Cabinet' attached to this agenda.

### **Contact for further enquiries:**

Matthew Mannion, Democratic Services,

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

Tel: 020 7364 4651

E-mail: [matthew.mannion@towerhamlets.gov.uk](mailto:matthew.mannion@towerhamlets.gov.uk)

Web: <http://www.towerhamlets.gov.uk>

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## Public Information

### **Attendance at meetings.**

The public are welcome to attend meetings of Cabinet. However seating is limited and offered on a first come first served basis. **Please note** that you may be filmed in the background as part of the Council's filming of the meeting.

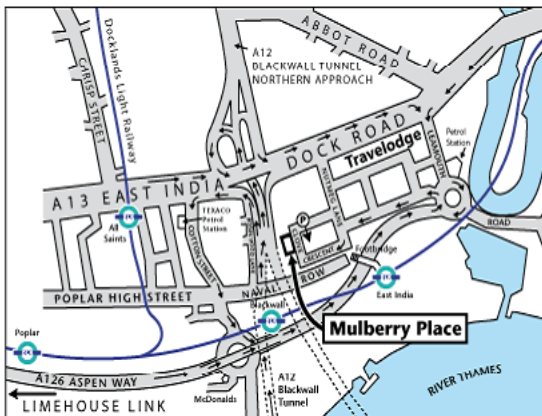
### **Audio/Visual recording of meetings.**

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### **Mobile telephones**

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Bus: Routes: D3, D6, D7, D8, 15, 108, and 115 all stop near the Town Hall.

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

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

Car Parking: There is limited visitor pay and display parking at the Town Hall (free from 6pm)

If you are viewing this on line: ([http://www.towerhamlets.gov.uk/content\\_pages/contact\\_us.aspx](http://www.towerhamlets.gov.uk/content_pages/contact_us.aspx))

### **Meeting access/special requirements.**

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



### **Fire alarm**

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

### **Electronic agendas reports, minutes and film recordings.**

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

To access this, click [www.towerhamlets.gov.uk/committee](http://www.towerhamlets.gov.uk/committee) and search for the relevant committee and meeting date.

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



QR code for smart phone users

## A Guide to CABINET

### **Decision Making at Tower Hamlets**

As Tower Hamlets operates the Directly Elected Mayor system, **Mayor John Biggs** holds Executive powers and takes decisions at Cabinet or through Individual Mayoral Decisions. The Mayor has appointed nine Councillors to advise and support him and they, with him, form the Cabinet. Their details are set out on the front of the agenda.

### **Which decisions are taken by Cabinet?**

Executive decisions are all decisions that aren't specifically reserved for other bodies (such as Development or Licensing Committees). In particular, Executive Key Decisions are taken by the Mayor either at Cabinet or as Individual Mayoral 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](http://www.towerhamlets.gov.uk/committee)

### **Published Decisions and Call-Ins**

Once the meeting decisions have been published, any 5 Councillors may submit a Call-In to the Service Head, Democratic Services requesting that a decision be reviewed. This halts the decision until it has been reconsidered.

- The decisions will be published on: **Thursday, 22 March 2018**
- The deadline for call-ins is: **Thursday, 29 March 2018**

Any Call-Ins will be considered at the next meeting of the Overview and Scrutiny Committee. The Committee can reject the call-in or they can agree it and refer the decision back to the Mayor, with their recommendations, for his final consideration.

### **Public Engagement at Cabinet**

The main focus of Cabinet is as a decision-making body. However there is an opportunity for the public to contribute through making submissions that specifically relate to the reports set out on the agenda.

Members of the public may make written submissions in any form (for example; Petitions, letters, written questions) to the Clerk to Cabinet (details on the front page) by 5 pm the day before the meeting.

**LONDON BOROUGH OF TOWER HAMLETS**

**CABINET**

**TUESDAY, 20 MARCH 2018**

**5.00 p.m.**

	<b>Pages</b>
<b>1. APOLOGIES FOR ABSENCE</b>	
To receive any apologies for absence.	
<b>2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS</b>	<b>13 - 16</b>
To note any declarations of interest made by Members, including those restricting Members from voting on the questions detailed in Section 106 of the Local Government Finance Act, 1992. See attached note from the Monitoring Officer.	
<b>3. UNRESTRICTED MINUTES</b>	<b>17 - 28</b>
The unrestricted minutes of the Cabinet meeting held on Tuesday 27 February 2018 are presented for approval.	
<b>4. OVERVIEW &amp; SCRUTINY COMMITTEE</b>	
<b>4.1 Chair's Advice of Key Issues or Questions</b>	
Chair of Overview and Scrutiny Committee (OSC) to report on any issues raised by the OSC in relation to unrestricted business to be considered.	
<b>4.2 Any Unrestricted Decisions "Called in" by the Overview &amp; Scrutiny Committee</b>	
(Under provisions of Article 6 Para 6.02 V of the Constitution).	

## 5. UNRESTRICTED REPORTS FOR CONSIDERATION

<b>5.1</b>	<b>Community Commissioning Programme Framework</b>	<b>29 - 68</b>
	<p><b>Report Summary:</b> The Voluntary and Community Sector (VCS) Strategy agreed in 2016 sets out the Council's approach to funding the VCS, which is principally through commissioned services funded through contracts. In line with this strategic commitment to commissioning services, a new commissioned service co-produced with the voluntary sector (the Community Commissioning programme) will succeed the Mainstream Grants programme (MSG) when it ends in March 2019.</p> <p>This paper presents the framework rationale and approach for the Community Commissioning programme, which has been developed in co-production with the VCS.</p> <p><b>Wards:</b> All Wards <b>Lead Member:</b> Mayor <b>Corporate Priority:</b> A transformed council, making best use of resources and with an outward looking culture</p>	
<b>5.2</b>	<b>Corporate Voluntary and Community Sector Grants Policy Framework</b>	<b>69 - 86</b>
	<p><b>Report Summary:</b> The Corporate Grants Programme is being developed in two phases through a process of co-production with the VCS. This paper presents the outcome of the first phase, a policy framework for a corporate approach to grants.</p> <p><b>Wards:</b> All Wards <b>Lead Member:</b> Mayor <b>Corporate Priority:</b> A transformed council, making best use of resources and with an outward looking culture</p>	
<b>5.3</b>	<b>Compact with the Voluntary and Community Sector</b>	<b>87 - 100</b>
	<p><b>Report Summary:</b> The Compact is a way of working between the voluntary sector and the public sector setting out agreed values and principles.</p> <p><b>Wards:</b> All Wards <b>Lead Member:</b> Mayor <b>Corporate Priority:</b> A transformed council, making best use of resources and with an outward looking culture</p>	

<b>5 .4 Premises Leased to Voluntary and Community Sector Organisations - Revised Policy</b>	<b>101 - 140</b>
<p><b>Report Summary:</b> This report recommends revising the arrangements for leasing premises to voluntary and community sector organisations.</p> <p><b>Wards:</b> All Wards  <b>Lead Member:</b> Mayor  <b>Corporate Priority:</b> A transformed council, making best use of resources and with an outward looking culture</p>	
<b>5 .5 Private Sector Housing Renewal Policy 2018 - 2022</b>	<b>141 - 182</b>
<p><b>Report Summary:</b> Update of existing Private Sector Renewal Policy 2018 - 2022 setting out grant and conditions for Disabled facility, Home Repairs and Empty Property Grants</p> <p><b>Wards:</b> All Wards  <b>Lead Member:</b> Deputy Mayor and Cabinet Member for Housing  <b>Corporate Priority:</b> Creating and maintaining a vibrant, successful place</p>	
<b>5 .6 The impact of short-term holiday platform lets</b>	<b>183 - 194</b>
<p><b>Report Summary:</b> To decide what steps to take in response to the growth in the borough of short-term letting through on-line booking platforms such as Airbnb.</p> <p><b>Wards:</b> All Wards  <b>Lead Member:</b> Deputy Mayor and Cabinet Member for Housing  <b>Corporate Priority:</b> Creating and maintaining a vibrant, successful place</p>	
<b>5 .7 All-Zone Multi-Purpose Permits for Car Clubs – Amendment to Permitted Bays</b>	<b>195 - 204</b>
<p><b>Report Summary:</b> To amend the decision made by Cabinet on 26 July 2016 to allow all-zone multi-purpose permits to be used in pay &amp; display bays as well as resident and business bays</p> <p><b>Wards:</b> All Wards  <b>Lead Member:</b> Cabinet Member for Environment  <b>Corporate Priority:</b> A transformed council, making best use of resources and with an outward looking culture</p>	

<b>5.8 IDF: Report to Cabinet recommending the approval of the allocation of CIL and S106 funding and approval for the adoption of a capital budget in respect of the 2 following projects: Goodmans Fields Health Centre and Whitechapel Public Realm</b>	<b>205 - 290</b>
<p><b>Report Summary:</b> Approval of the allocation of CIL and S106 funding and the approval for the adoption of a capital budget in respect of the following projects:</p> <ul style="list-style-type: none"> <li>• Goodman’s Fields Health Centre; and</li> <li>• Whitechapel Public Realm PID</li> </ul> <p>Approval to fund these project is sought as they will allow for the delivery of Infrastructure and achieve the objectives set out in the community plan including:</p> <ul style="list-style-type: none"> <li>• A great place to live;</li> <li>• A fair and prosperous community;</li> <li>• A safe and cohesive community; and</li> <li>• A healthy and supportive community.</li> </ul> <p><b>Wards:</b> Blackwall &amp; Cubitt Town; Whitechapel  <b>Lead Member:</b> Cabinet Member for Strategic Development and Waste  Cabinet Member for Health and Adult Services  Cabinet Member for Environment  <b>Corporate Priority:</b> A transformed council, making best use of resources and with an outward looking culture</p>	

<b>5.9 Disposal of 2 Trinity Green, Mile End Road, E.1. 4TS</b>	<b>291 - 304</b>
<p><b>Report Summary:</b> A decision is proposed to declare a dwelling that forms part of the Trinity Green Almshouses as surplus to the council’s operational requirements and dispose of it on the open market.</p> <p><b>Wards:</b> Bethnal Green  <b>Lead Member:</b> Cabinet Member for Resources, Deputy Mayor and Cabinet Member for Housing  <b>Corporate Priority:</b> A transformed council, making best use of resources and with an outward looking culture</p>	
<b>Plus Exempt Appendix</b>	

<b>5 .10 Pan-London Modular Temporary Accommodation</b>	<b>305 - 344</b>
<b>Plus Exempt Appendix</b>	
<p><b>Report Summary:</b>  The report proposes establishing a not-for-profit company to work in partnership with other London Boroughs in order to procure modular temporary accommodation for homeless families, to be provided on meanwhile sites across London, drawing on funding from the GLA's innovation Fund.</p> <p><b>Wards:</b> All Wards  <b>Lead Member:</b> Cabinet Member for Strategic Development and Waste, Deputy Mayor and Cabinet Member for Housing  <b>Corporate Priority:</b> Creating and maintaining a vibrant, successful place</p>	
<b>5 .11 Children's Services Improvement Programme, Quarterly Progress Report (Quarter 3)</b>	<b>345 - 362</b>
<p><b>Report Summary:</b>  This report provides an update on progress in delivering improvements to Children's Services in response to the report published by Ofsted in April 2017 which rated our services 'inadequate'. The Council's improvement plan aims to achieve a standard of 'good' by April 2019.</p> <p>Endorsement is sought for the progress made in delivering the Children's Services improvement Programme.</p> <p><b>Wards:</b> All Wards  <b>Lead Member:</b> Cabinet Member for Education and Children's Services  <b>Corporate Priority:</b> Creating opportunity by supporting aspiration and tackling poverty</p>	
<b>5 .12 Strategy for Children and Young People with SEND: Findings from Strategy Consultation and Proposed New Strategy</b>	<b>363 - 414</b>
<p><b>Report Summary:</b>  To consider the recommendations in relation to the Special Educational Needs and Disabilities (SEND) Strategy that will set out the direction for the next five years across Tower Hamlets: to establish a flexible and responsive SEND system for children and young people with SEND aged from 0 to 25 years and their families.as outlined within the report.</p> <p><b>Wards:</b> All Wards  <b>Lead Member:</b> Cabinet Member for Health &amp; Adult Services  <b>Corporate Priority:</b> Creating opportunity by supporting aspiration and tackling poverty</p>	



**5 .13 Sheltered Housing****415 - 444****Report Summary:**

To agree to:

- Depart from the endorsed option of a Floating Support Model (Cabinet, July 2016) following consultation with tenants and landlords, and, instead adopt an Intensive Housing Management Service (IHMS) model, and agree a six month extension to the existing contracts to allow for a successful transition to the IHMS model; and
- Reinvest the savings into activities to combat loneliness and isolation, and improve the wellbeing of elderly tenants living in sheltered housing by making available an agreed amount of money for each scheme depending on size and number of tenants living in the scheme.

**Wards:** All Wards  
**Lead Member:** Cabinet Member for Health and Adult Services  
**Corporate Priority:** A transformed council, making best use of resources and with an outward looking culture

**5 .14 Tower Hamlets Adult Social Care Local Account****445 - 480****Report Summary:**

To present the annual Local Account on Adult Social Care.

**Wards:** All Wards  
**Lead Member:** Cabinet Member for Health and Adult Services  
**Corporate Priority:** Creating opportunity by supporting aspiration and tackling poverty

**5 .15 Tower Hamlets Planning Compliance Policy****481 - 516****Report Summary:**

Seeking approval to publish a draft version of the new Tower Hamlets Planning Compliance Policy. The National Planning Policy Framework says that Local Planning Authorities should prepare a Local Enforcement Plan to explain how they will exercise their discretionary enforcement powers.

**Wards:** All Wards  
**Lead Member:** Cabinet Member for Strategic Development and Waste  
**Corporate Priority:** Creating and maintaining a vibrant, successful place

<b>5 .16 Renewal of Leaseholders Building Insurance, Motor Fleet, Commercial Property, Crime and Fidelity Guarantee, Engineering Inspection, Business Travel and Personal Accident and School Journeys</b>	<b>517 - 524</b>
<p><b>Report Summary:</b> To ensure appropriate insurance arrangements are in place for Council owned leasehold properties from 1 April 2018</p> <p><b>Wards:</b> All Wards <b>Lead Member:</b> Cabinet Member for Resources <b>Corporate Priority:</b> Creating and maintaining a vibrant, successful place</p>	<b>Plus Exempt Appendices</b>

<b>5 .17 Best Value Improvement Plan (BVIP) Q4 update report</b>	<b>525 - 550</b>
<p><b>Report Summary:</b> To note progress of the BVIP and to consider and provide feedback on the Q4 BVIP update report.</p> <p><b>Wards:</b> All Wards <b>Lead Member:</b> Mayor <b>Corporate Priority:</b> (All Corporate Priorities)</p>	

<b>5 .18 2017-18 Quarter 3 (October-December) Strategic Performance Monitoring report</b>	<b>551 - 580</b>
<p><b>Report Summary:</b> To consider those recommendations as outlined in the report.</p> <p><b>Wards:</b> All Wards <b>Lead Member:</b> Mayor <b>Corporate Priority:</b> A transformed council, making best use of resources and with an outward looking culture</p>	

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

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

If the Mayor considers it necessary to consider any exempt/restricted documents on the agenda, it is proposed that the following motion be agreed.

“That, under the provisions of Section 100A of the Local Government Act, 1972 as amended by the Local Government (Access to Information) Act, 1985, the Press and Public be excluded from the remainder of the meeting for the consideration of the Section Two business on the grounds that it contains information defined as Exempt in Part 1 of Schedule 12A to the Local Government, Act 1972”.

### **EXEMPT/CONFIDENTIAL SECTION (PINK)**

The Exempt / Confidential (Pink) Committee papers in the Agenda will contain information, which is commercially, legally or personally sensitive and should not be divulged to third parties. If you do not wish to retain these papers after the meeting, please hand them to the Committee Officer present.

## **8. EXEMPT / CONFIDENTIAL MINUTES**

Nil items.

## **9. OVERVIEW & SCRUTINY COMMITTEE**

### **9.1 Chair's Advice of Key Issues or Questions in Relation to Exempt / Confidential Business**

Chair of Overview and Scrutiny Committee (OSC) to report on any issues raised by the OSC in relation to exempt/confidential business to be considered.

### **9.2 Any Exempt / Confidential Decisions "Called in" by the Overview & Scrutiny Committee**

(Under provisions of Article 6 Para 6.02 V of the Constitution).

## **10. EXEMPT / CONFIDENTIAL REPORTS FOR CONSIDERATION**

Nil items.

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

### **Next Meeting of the Committee:**

To be confirmed at the Council meeting on 21 March 2018.

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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:-

Asmat Hussain, Corporate Director, Governance and Monitoring Officer. Tel 020 7364 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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<b>Cabinet</b>  20 March 2018	 <b>TOWER HAMLETS</b>
	<b>Classification:</b> Unrestricted
<b>Minutes of the Previous Meeting</b>	

## SUMMARY

1. The Mayor in Cabinet is asked to consider the draft unrestricted minutes of the Cabinet meeting held on 27 February 2018 and to review a requested amendment to decision 5.1 (Adult Social Care Procurement Plan) set out below.

## RECOMMENDATIONS

The Mayor in Cabinet is recommended to:

1. To agree the unrestricted minutes of the Cabinet meeting held on Tuesday 27 February 2018 as a correct record of proceedings.
2. To agree the proposed amendment to Decision 5.1 (Adult Social Care Procurement Plan) as set out overleaf.

## Addendum to Decision

At the Cabinet meeting held on 27 February 2018, the Mayor in Cabinet, considered Agenda Item 5.1 (Adult Social Care Procurement Plan). He agreed a number of recommendations including:

3. To authorise the decisions required in relation to the contracts and services listed in Table A of the report.

The table is set out here:

**Table A – For Approval by the Mayor in Cabinet**

Ref	Contract	Supplier	Nature of decision	Value
1	Hotel in the Park Respite Service ESCW(AHWP) 4471	Camden Society	To rationalise current spot purchasing - Direct Award from Cabinet approval date until 31/03/2019	£430,000
2	Sonali Gardens Day Service AH 5016	St Hilda's	To rationalise current spot purchasing - Direct Award from Cabinet approval date to 31/03/2019	£ 519,414
3	Sundial Centre AH5016	Peabody Trust	To rationalise current spot purchasing - Direct Award from Cabinet approval date to 31/03/2019	£332,839
4	Direct Payment Support Service	Real DPO Ltd	To allow time to re-procure - Direct Award from Cabinet approval date to 31/3/2019	£333,600
5a	Information Advice and Advocacy Service ESCW (AHWP) 4183	Real DPO Ltd	To formalise contract extension provided for under current contract - Enter into the final 1 year extension of the existing contract up to 31/07/2018	£485,000
5b	Information Advice and Advocacy Service ESCW (AHWP) 4183	Real DPO Ltd	To provide additional time to re-procure - Direct Award from 01/08/2018 to 31/7/2019	£485,000
6	School Health Service Public Health	Compass Health and Wellbeing	To align the contract with school academic years - 3 months Direct Award from 1/05/2018 – 31/07/2018	£395,250
7	LinkAge + AHS 5112	Toynbee Hall Consortium	To revise the contractual value by £41,478 per annum	£207,390 over the five year term.

It has since been identified that a small typographical error was present in item 4 (Direct Payment Support Service) and that the value should have been listed as £336,000 and not £333,600. The Mayor is therefore asked to agree to an amendment to the decision so that item four will instead read:

4	Direct Payment Support Service	Real DPO Ltd	To allow time to re-procure - Direct Award from Cabinet approval date to 31/3/2019	£336,000
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## LONDON BOROUGH OF TOWER HAMLETS

## MINUTES OF THE CABINET

HELD AT 5.35 P.M. ON TUESDAY, 27 FEBRUARY 2018

C1, 1ST FLOOR, TOWN HALL, MULBERRY PLACE, 5 CLOVE CRESCENT,  
LONDON, E14 2BG**Members Present:**

Mayor John Biggs	
Councillor Sirajul Islam	(Statutory Deputy Mayor and Cabinet Member for Housing)
Councillor Amina Ali	(Cabinet Member for Environment)
Councillor Rachel Blake	(Cabinet Member for Strategic Development & Waste)
Councillor Asma Begum	(Cabinet Member for Community Safety)
Councillor David Edgar	(Cabinet Member for Resources)
Councillor Denise Jones	(Cabinet Member for Health & Adult Services)
Councillor Abdul Mukit MBE	(Cabinet Member for Culture and Youth)
Councillor Amy Whitelock Gibbs	(Cabinet Member for Education and Children's Services)

**Other Councillors Present:**

Councillor Dave Chesterton	(Chair of the Overview and Scrutiny Committee)
Councillor Peter Golds	(Leader of the Conservative Group)
Councillor Andrew Wood	

**Apologies:**

Councillor Joshua Peck	(Cabinet Member for Work & Economic Growth)
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**Officers Present:**

Nadir Ahmed	(Business Support Manager, Place)
Terry Bryan	(Head of Pupil Admissions & Exclusions)
Naznin Chowdhury	(One Tower Hamlets)
Vicky Clark	(Divisional Director for Economic Growth and Development)
Margaret Cooper	(Section Head Transport & Highways, Public Realm, Communities Localities & Culture)
Adrian Gorst	(Divisional Director, IT)
Paul Greeno	(Senior Corporate and Governance Legal Officer, Legal Services)
Asmat Hussain	(Corporate Director, Governance and Monitoring Officer)
Debbie Jones	(Corporate Director, Children's)
Neville Murton	(Divisional Director, Finance, Procurement & Audit)
Karen Sugars	(Acting Divisional Director, Integrated)

Ann Sutcliffe	Commissioning)
David Tolley	(Acting Corporate Director, Place)
Will Tuckley	(Head of Environmental Health and Trading Standards)
Matthew Mannion	(Chief Executive)
David Knight 2	(Committee Services Manager, Democratic Services, Governance)
	(Principal Committee Services Officer)

## 1. APOLOGIES FOR ABSENCE

Apologies for Absence were received on behalf of:

- Councillor Joshua Peck (Cabinet Member for Work and Economic Development)
- Zena Cooke (Corporate Director, Resources) for whom Neville Murton (Divisional Director, Finance, Procurement and Audit) was deputising.
- Denise Radley (Corporate Director, Health, Adults and Community) for whom Karen Sugars (Acting Divisional Director, Integrated Commissioning) was deputising.

Apologies for lateness were received on behalf of Councillor Amy Whitelock Gibbs (Cabinet Member for Education and Children's Services).

## 2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS

Councillor Denise Jones, Cabinet Member for Health and Adult Services declared a Disclosable Pecuniary Interest in Agenda Item 5.1 (Adult Social Care Procurement Plan). She left the room for the duration of that item.

## 3. UNRESTRICTED MINUTES

### RESOLVED

1. That the unrestricted minutes of the Cabinet meeting held on Tuesday 30 January be approved and signed by the Chair as a correct record of proceedings.

## 4. OVERVIEW & SCRUTINY COMMITTEE

### 4.1 Chair's Advice of Key Issues or Questions

Pre-Decision Scrutiny Questions, and officer responses, were noted in relation to Agenda Items:

- 5.3 (Determining the School Admission Arrangements for 2019/20)
- 5.9 (Corporate Monthly Budget Monitoring 2017/18 (Month 9/Q3))

The questions and responses were considered during the discussion of each relevant agenda item.

In addition, Councillor Dave Chesterton, Chair of the Overview and Scrutiny Committee (OSC), addressed Cabinet. He provided an update on the Committee's most recent meeting and took Members through the issues that had been discussed, including:

- Discussion of the Quarter 3 Children's Services Improvement Programme which included a discussion with the Board Chair and Council partners on improvements to date and remaining challenges.
- A spotlight session with the Chief Executive.
- Examination of the Quarterly Corporate Budget Monitoring Report.

Finally, he noted that Parliament's Communities and Local Government Select Committee had released its report into the effectiveness of local authority scrutiny and he had asked for this to be presented to the OSC after the local elections.

The **Mayor** thanked Councillor Dave Chesterton for his update.

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

Nil items.

### **5. UNRESTRICTED REPORTS FOR CONSIDERATION**

#### **5.1 Adult Social Care Procurement Plan**

[Councillor Denise Jones, had declared a Disclosable Pecuniary Interest for this item left the room for the duration of the discussion.]

The **Mayor** introduced the report on the Adult Social Care Procurement Plan highlighting the importance of revamping the procurement processes in this area as so many procurement exercises were undertaken.

Karen Sugars, Acting Divisional Director, Integrated Commissioning, took Members through the report including how the new processes would look to drive in social value with many local voluntary and community sector providers involved. She also highlighted that, whilst co-producing strategies could slow down the process to put a contract into place, the final result would be much better aligned to identified needs and so that made it a good investment of time.

The **Mayor** welcomed the report and **agreed** the recommendations as set out.

#### **RESOLVED**

1. To note the progress made in to put in place clear commissioning strategies, co-produced with local people and the delivery of extensive procurement of contracts as initiated by the Mayor in Cabinet in January 2016. This was to bring previous non-compliant arrangements in line with financial and procurement rules.

2. To delegate authority to the Corporate Director of Health, Adults and Community following consultation with the Corporate Director Governance and Monitoring Officer the decision to enter into all necessary agreements and undertake any other ancillary matter to give effect to the decisions referred to in Table A of the report.
3. To authorise the decisions required in relation to the contracts and services listed in Table A of the report.

## 5.2 Clear Up Project Update

The **Mayor** introduced the report. He noted that 75% of outstanding actions had now been completed with timescales set out for the rest. He also noted that the Panel was kept separate from the Council to ensure it could retain the trust of those who had raised concerns. He **agreed** the recommendation as set out.

### RESOLVED

1. To note the report.

## 5.3 Determining the School Admission Arrangements for 2019/2020

Councillor Amy Whitelock-Gibbs, Cabinet Member for Education and Children's Services, introduced the report. She highlighted that, whilst it was not a requirement to consult every year, the Council found the consultation exercise useful as it was then able to tailor the admission criteria to deal with issues that were raised.

The **Mayor** noted the positive consultation responses and welcomed the proposed arrangements. He noted the Pre-Decision Scrutiny Questions, and officer responses and then **agreed** the recommendations as set out in the report.

### RESOLVED

1. To agree the oversubscription criteria for admission to Community Nursery Schools/Classes in 2019/20, as set out in Appendix 1 to the report.
2. To agree the oversubscription criteria for admission to Community Primary Schools in 2019/20, as set out in Appendix 2 to the report.
3. To agree the oversubscription criteria for admission to Community Secondary Schools in 2019/20 as set out in Appendix 3 to the report.
4. To agree the schemes for co-ordinating admissions to the Reception Year and Year 7 for 2019/20, as set out in Appendix 4 to the report.

5. To agree the scheme for co-ordinating 'In-Year' Admissions for 2019/20, as set out in Appendix 5 to the report.
6. To agree the planned admission number for each school in Tower Hamlets in 2019/20, as set out in Appendix 6 to the report.

**5.4 Approval of the allocation of CIL and S106 funding and approval for the adoption of a capital budget in respect of the following projects: London Square PID and 'Unlocking Opportunities' Funding PID**

The **Mayor** introduced the report on the 'Unlocking Opportunities' Funding for employment support programmes and explained why the proposal was to move away from the original European Social Fund (ESF) to instead use S106 funding. This was due to the complex reporting requirements of the ESF and also so that the Council could target different groups of residents that it considered most in need of support.

Councillor David Edgar, Cabinet Member for Resources, introduced the report on the London Square proposals. He highlighted that this proposal supported the provision of new open space in an area of the Borough with very limited existing space.

The **Mayor** welcomed both proposals. He **agreed** the recommendations as set out.

**RESOLVED**

1. To approve the allocation of £1,005,311 in Section 106 (s106) funding to the proposals set out in the 'Unlocking Opportunities' Funding Project Initiation Document which is set out in Appendix A to the report and Table 1 in the report.
2. To approve the allocation of £1,486,800 in CIL funding to the proposals set out in the 'London Square' Project Initiation Document which is set out in Appendix B to the report and Table 1 in the report and adopt a corresponding capital estimate.

**5.5 Overview and Scrutiny Committee: Social Value Act Scrutiny Challenge Report**

The **Mayor** introduced the report. He explained that it set out a proposed Action Plan in relation to a recent Overview and Scrutiny Challenge Session on the Social Value Act.

He welcomed the report and the opportunity to take on board the good ideas identified. He **agreed** the recommendations as set out.

**RESOLVED**

1. To note the report as agreed by the Overview and Scrutiny Committee on 9<sup>th</sup> May 2017 in Appendix One to the report; and
2. To agree the proposed action plan in Appendix Two to the report.

**5.6 Overview and Scrutiny Committee: Creating a balanced night time economy in Tower Hamlets Scrutiny Challenge Report**

The **Mayor** introduced the report following on from the Overview and Scrutiny Committee investigation on the challenge of creating a balanced night time economy. The report contained an action plan of proposed recommendations to implement.

Members discussed the report including whether, longer term, more responsibility for Licensing policy should be with the Executive rather than the Licensing Committee itself to ensure it could be fully linked to other executive policy work. Other issues noted included:

- The need to look at Cumulative Impact Zones.
- The importance of better management of waste generated by the night time economy.
- Ensuring touting was effectively tackled.

The **Mayor** welcomed the report and agreed that further work in this area was important. He thanked everyone for their contributions and **agreed** the recommendations as set out.

**RESOLVED**

1. To note the report as agreed by the Overview and Scrutiny Committee in September 2017 (Appendix One to the cover report) and agree the draft action plan (Appendix Two to the cover report).

**5.7 Local Implementation Plan Annual Spending Plan 2018-19**

Councillor Amina Ali, Cabinet Member for Environment, introduced the report on the Local Implementation Plan Annual Spending Plan 2018-19. She explained that it set out how the Council was engaged with the Greater London Authority's (GLA) transport strategy and the overall funding that had been allocated. Particular issues being tackled included on road safety, anti-social behaviour and on encouraging cycling.

The **Mayor** reported that he had expressed his dissatisfaction on the funding reductions with the GLA leadership. However, it was good news that there still was money which was being invested. He **agreed** the recommendations as set out.



**RESOLVED**

1. To note the allocation of the schemes proposed for funding in the LIP Delivery Plan 2018-19 (Appendix 1 to the report).
2. To note that the overall expenditure was approved in the Council's 2018/19 Capital Programme in the January 2018 Cabinet Budget Report with capital estimates being adopted for specific schemes.

**5.8 ICT Future Sourcing**

Councillor David Edgar, Cabinet Member for Resources, introduced the report on proposals for future ICT support. He explained that the report proposed a hybrid model with some work brought in-house whilst other areas would be retained by Agilisys and/or retendered as appropriate.

The **Mayor** welcomed the report as allowing the Council to plan for the longer term ICT support it would need. He noted the Exempt/Restricted Appendix and **agreed** the recommendations as set out.

**RESOLVED**

1. To adopt a hybrid model for the future sourcing of ICT services from April 2019, combining elements of insourcing, extending the existing contract with our strategic partner and then retendering to obtain optimal outcomes for the Council.
2. To agree that the Divisional Director IT insource ICT contract management, ICT project management and ICT applications management.
3. To agree that the Divisional Director IT utilise the facility within the existing contract with Agilisys, to extend the contract term for ICT technical services, for two years, to 31 March 2021 at a cost of £5.5m plus inflation per annum, referring to the detailed costings in Appendix A to the report.
4. To agree that the Divisional Director IT develop detailed plans for the future sourcing of the remaining outsourced services ahead of the extension ending on 31 March 2021; considering further insourcing of services and the use of government procurement frameworks.
5. To authorise the use of up to £3.0m from the ICT Transformation Reserve to create a transition programme to manage the process, including drafting a Deed of Variation; managing the TUPE transfer of staff to the Council, completing the assignment, novation and re-procurement of ICT contracts and the purchase of hardware, software and services for transferred staff, referring to the detailed costings in Appendix A to the report.

## **5.9 Corporate Monthly Budget Monitoring 2017/18 (Month 9/Q3)**

Councillor David Edgar, Cabinet Member for Resources, introduced the report. He welcomed the improved format and presentation style of the report. He noted the summary figures including potential underspends in particular on the Housing Revenue Account which was part of longer term housing fund reserves.

The Mayor welcomed the report and the new format. He noted the Pre-Decision Scrutiny Questions and officer responses. He asked that more information be provided to Members on the updated costs of the Whitechapel Civic Centre. Finally, he **agreed** the recommendations as set out.

### **RESOLVED**

1. To note the Council's forecast outturn position against Revenue and HRA budgets agreed for 2017-18, based on information as at the end of December as detailed in the Appendices to the report.
2. To note the summary savings position.
3. To endorse Management action to achieve savings.
4. To note the position on the Mayoral Priority Budget

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

Nil items.

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

Nil items.

## **8. EXEMPT / CONFIDENTIAL MINUTES**

Nil items.

## **9. OVERVIEW & SCRUTINY COMMITTEE**

### **9.1 Chair's Advice of Key Issues or Questions in Relation to Exempt / Confidential Business**

Nil items.

### **9.2 Any Exempt / Confidential Decisions "Called in" by the Overview & Scrutiny Committee**

Nil items.


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

Nil items.

The meeting ended at 7.00 p.m.

MAYOR JOHN BIGGS

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<p><b>Cabinet</b></p> <p>20 March 2018</p>	 <p><b>TOWER HAMLETS</b></p>
<p><b>Report of:</b> Zena Cooke Corporate Director, Resources</p>	<p><b>Classification:</b> Unrestricted</p>
<p><b>Community Commissioning Programme Framework Report</b></p>	

<b>Lead Member</b>	<b>Mayor John Biggs</b>
<b>Originating Officer(s)</b>	Elvis Langley, Senior Strategy Policy and Performance Officer
<b>Wards affected</b>	All
<b>Key Decision?</b>	No
<b>Community Plan Theme</b>	All themes

## Executive Summary

The Voluntary and Community Sector (VCS) Strategy agreed in 2016, sets out the Council’s approach to funding the VCS, which is principally through commissioned services funded through contracts. In line with this strategic commitment to commissioning services, a new commissioned service co-produced with the voluntary sector (currently called ‘the Community Commissioning Programme’) will succeed the Mainstream Grants programme (MSG) when it ends in March 2019.

This paper presents the framework rationale and approach for the Community Commissioning programme, which has been developed in co-production with the VCS. A corporate approach to the programme is outlined. This will underpin the second wider phase of co-production which will develop the detail of the programme themes (delivery areas) and processes to administer the programme. It is anticipated the second report will be brought back to Cabinet in the summer.

Selected output from the co-production workshops and information on the development of the framework is attached (Appendix 1) for information.

## Recommendations:

The Mayor in Cabinet is recommended to:

1. Agree the programme rationale and approach for a Community Commissioning programme, and
2. Instruct officers to develop detailed proposals for a Community Commissioning programme, to be launched in time for a proposed programme delivery start date of April 2019.

## **1. REASONS FOR THE DECISIONS**

- 1.1 The Voluntary and Community Sector (VCS) Strategy 2016-19, sets out an approach to supporting the VCS, based on the co-production of services commissioned with the VCS rather than traditional grants programmes.
- 1.2 This report brings forward proposals for a specific policy framework that would help achieve this commitment.

## **2. ALTERNATIVE OPTIONS**

- 2.1 A key consideration for recommendations is that the timetable for the Community Commissioning programme, allows little room for change without delaying services starting on 1st April 2019.
- 2.2 The Council could decide not to have a funded scheme, alternatively the council could extend the Mainstream Grants programme. In both cases the Council would fail to meet commitments from the VCS Strategy.
- 2.3 The Council could not recommend the current proposals in favour of waiting to agree the more detailed programme in the final report around June. Without approving the initial framework agreements the Council risks perception that nothing is being done. Given the input that has been received from the VCS and the need to acknowledge a programme of funding beyond existing Mainstream Grants it is necessary to signal a clear commitment to a programme of funding and the key principles that will underpin it.
- 2.4 Alternative approaches that could be taken without a gap in provision of VCS funding, could be to develop a 'stepped' commissioning cycle and provide transitional arrangements (e.g. through providing shorter term grant funding in the interim, under the new Council Grants Policy) in some programme areas. Benefits to this approach would be to give VCS organisations longer to adapt to the shift from grants to commissioning and to develop ideas for responding to the final outcomes framework developed for the programme. This approach may also be initially less demanding on council service resources to procure the programme. However this would prevent commissioning being coordinated into a single programme and would require a second procurement process, once transitional arrangements expire which would be onerous for both VCS and Council.

## **3. DETAILS OF REPORT**

- 3.1 The VCS Strategy (2016-19) outlines a commitment to ensure that all council funding to the VCS is contributing to priority outcomes, with a general preference for commissioning rather than grants and to maximise economic and social benefits through procurement.

- 3.2 It is specified that as far as possible, the commissioning approach will be a collaborative one, taking into account procurement and other legal requirements.
- 3.3 There is a commitment in the VCS strategy to delivering this change through co-production with the VCS, as well as adopting co-production as a service design and delivery approach for commissioned services.
- 3.4 As well as an overall shift to outcomes based commissioning, the specific commitments from the VCS Strategy are to review council commissioning processes, so that:
- the advantages of commissioning the VCS are valued and understood
  - the ability of the VCS to participate in the commissioning process is maximised
  - processes minimise bureaucracy and are pragmatic
  - requirements of tenderers and contractors are more proportionate to the levels of funding and complexity of the service
  - small organisations are able to benefit from commissioning opportunities, including through consortia and sub-contracting
  - processes promote a more sustainable VCS by using longer funding terms where appropriate and taking into account external income generation
- 3.5 The VCS Strategy also states there should be capacity building support for VCS organisations in the skills necessary to bid for and take on commissioned services. This should also include elements to ensure that VCS services are resilient and less reliant on funding from the council.
- 3.6 In 2017 Carney Green and the New Economics Foundation were commissioned to deliver an evaluation of the current and previous Mainstream Grants programmes. The July 2017 evaluation report includes recommendations to:
- Co-produce an outcomes based framework for the successor to Mainstream Grants to drive innovation in the sector
  - Link programme outcomes to Strategic Plan and Community Plan priorities and outcomes.
  - Focus on building relationships and trust between the VCS and council in relation to commissioning contracts
  - Develop a sound Theory of Change and ensuring continuity of approach between different programme priorities
  - Consider the commissioning mechanism through which the programme would be offered, to encourage local applications

- Deliver capacity building support to the local VCS, to enable them to respond to tenders
  - Adopt a more proportionate 'tailored' approach to the application process and monitoring of services
- 3.7 Work has been ongoing to develop the policy framework for Community Commissioning, with internal / public co-production workshop sessions facilitated by Carney Green and the New Economics Foundation since the start of January 2018. (See Appendix 1: Community Commissioning Workshop Output Document, for details of the co-production process and development of the framework rationale and approach for the Community Commissioning programme).
- 3.8 The focus of the first stage of co-production is on impact and outcomes, with further work in March and April 2018, to develop programme themes and the detail of what will be delivered against budget allocations.

### **Community Commissioning Programme - Key Principles**

- 3.9 The Community Commissioning programme will be a new programme of services funded by the Council and co-produced with the VCS. The time available before the new programme starts allows an opportunity to ensure the new programme takes into account good practice and learning from current MSG provision in deciding what should be funded in future under the new programme.
- 3.10 Community Commissioning will as far as possible, operate as a single coordinated programme, with a coherent approach to commissioning and common approach to the programme's outputs and outcomes across the different programme themes for delivery.
- 3.11 The programme is being developed with consideration of the new Council Grants Policy and existing commissioning and strategic priorities. This maximises impact and avoids funding overlap, as well as supporting the delivery of the Community Plan and Strategic Plan
- 3.12 The proposed new Community Commissioning programme will fit with the Council's wider Commissioning Framework and Co-production Framework recommendations, currently being developed.
- 3.13 Community Commissioning will adopt an outcomes based approach, allowing organisations to build on local knowledge, skills and expertise and have the flexibility to undertake the activities which have the most impact.
- 3.14 The proposed new programme is intended to stimulate greater and more effective support in tackling local issues. This principle will inform the determination of the programme budget.
- 3.15 The tender process will be transparent and fair.



## **Programme Recommendations**

- 3.17 The new Community commissioning requires a framework that will be aligned with relevant existing outcomes frameworks and commissioning priorities. This will be balanced with creating a flexible programme that is responsive to local need and can deliver local impact.
- 3.18 The programme will be managed by services alongside existing priorities and therefore needs to avoid duplication of services, delivering impact where it is most needed. It also needs to build on what commissioned organisations are best placed to deliver in order to maximise impact.
- 3.19 In consideration of this, the co-production workshops so far were undertaken with a focus on outcome areas and impact first and will later move toward consideration of grouping these into programme themes and strands that specify the areas of activity that will be funded and the allocation of funding to them.
- 3.20 There are three areas in which recommendations are made
- A. Management of the Programme
  - B. Cross-Cutting Principles of Delivery
  - C. Initial Outcome Areas

### **A. Management of the Programme**

- 3.21 Feedback from the co-production process broadly aligned to the commitments in the VCS Strategy and the recommendations of the MSG evaluation for:
- Streamlined application and monitoring, proportionate to the size of the contract
  - A focus on commissioning for outcomes, with greater flexibility in design and delivery as to how these are achieved, in order to encourage innovation and creativity and value local solutions, knowledge and expertise.
  - Commissioning outcomes should be co-designed
  - Valuing partnership work, but not requiring it
  - A supportive and collaborative monitoring process
  - A transparent tendering process that weights toward local knowledge and expertise, as well as other factors
  - Reasonable timelines to respond to tenders
  - Capacity building for the sector to be able to effectively respond to tenders
  - A programme that works in synergy with existing commissioning and strategic priorities

- Building evidence for local need and the impact of the approaches developed - commissioned organisations will be expected to evidence the impact of their approaches to address an evidenced need in the borough.

## **B. Cross-Cutting Principles of Delivery**

3.22 Specifically, the co-production process identified cross cutting principles to be applied across all programme themes. These will be reflected in the final tender process:

All themes/delivery areas will be expected to contribute to the following outcome areas, (quotes represent suggestions for wording from the Carney Green report, based on input from workshops, Appendix 1):

**Empowerment and Community Cohesion** – Services should work toward cohesion and individual empowerment, including improved understanding and tolerance of people, active involvement in local communities, decreased isolation and the development of positive relationships between people. ‘Creation of a cohesive society which works towards the wellbeing of all members of the community, breaks down barriers to exclusion and marginalisation, creates a sense of belonging, and promotes trust. Individuals are empowered to harness local resources and expertise, for the greater good of their community.’

**Reducing Poverty** – This included employment and addressing skills gaps, as well as tackling in-work poverty and increasing prosperity. There was a feedback that the final priority will need to be phrased positively. ‘Individuals and communities are empowered to prevent or delay negative impacts on health, promote/improve quality of life, and to create healthy and supportive environments.’

All themes/delivery areas will be expected to take these approaches to delivering outcomes:

**Preventative approaches** - There was widespread agreement that early intervention and addressing need at the earliest stage would lead to significant change and that this approach would apply to all areas of provision (for example, sports, criminal justice, arts approaches), as well as provide sustainability and value for money. ‘Everyone in Tower Hamlets has the opportunity to lead a healthy and secure life. They are not marginalised or discriminated as a result of financial circumstances.’ This approach will be need to be embedded into the design of all commissioned services.

**Co-production** - An overall focus on co-production with the community at service design and delivery level was identified as an important route to encouraging innovation and a community response to local need. ‘Individuals and communities in Tower Hamlets are consulted and empowered to inform the delivery of services that they engage with. Community and voluntary sector organisations support one another to deliver effective services.’ Projects will be designed, delivered and evaluated using co-produced and co-designed approaches, and will be expected to show development and improvement over the project lifetime.

3.23 The implication of principles like these that exist across all themes, is a common commissioning approach that can be applied in different services with different supplemental outcomes according to service priorities. Using this approach will allow the development of a common 'theory of change' and a set of template questions that will be scored during the tendering process, while allowing services to add specific questions linked to established commissioning outcomes and strategic priorities.

### **C. Initial Outcome Areas**

3.24 In addition to these common principles a number of specific outcome areas were identified, which will be part of the information used to inform the development of distinct themes/delivery areas for the programme:

- Inclusion
- Health and wellbeing
- Accessibility
- IT and digital connectivity
- Employment and skills
- Reduction in waste
- Community safety, crime and anti-social behaviour
- A vibrant and successful place
- Social value
- Encouraging innovation
- Empowerment
- Increasing capacity

3.25 These emerging outcome areas are not exhaustive. Appendix 1 of this report details input from the co-production process to develop the emerging outcomes. Further work to develop themes from these outcomes areas, aligned to existing outcomes frameworks and the Community and Strategic Plans will be carried out in March and April of 2018. These must also be informed by decisions made in relation to funding allocations to the programme. Initial work to consider these outcome areas against proposals for the new Council Grants Policy and Strategic priorities is detailed in Appendix 1 and will continue during the second stage of co-production, detailed below.

3.26 The final themes under which delivery will be commissioned will be developed according to a wider consideration of needs and priorities. There may also be opportunities to bring other community commissioning under the remit of this programme.

### **Development of Themes/Delivery Areas**

3.27 Work so far has focussed on co-producing an initial rationale, approach and identifying outcomes areas that can be developed into a Community Commissioning programme

3.28 More detailed discussion of priorities and outcomes, development of an outcomes framework, monitoring framework, finalisation of application and decision making

process and development of the programme into final themes or areas of delivery is required.

- 3.29 A capacity building programme, delivered in partnership with Carney Green and New Economics Foundation has been agreed. This will be vital to ensure local VCS organisations have the opportunity to develop the required skills and governance to respond to tender requirements. Support will include training on the specifics of the tender process, technical details and governance requirements. The programme of support will be delivered during the run up to the July 2018 launch of the new scheme, in addition to extra infrastructure support, funded in advance of the programme, to start in April 2019.
- 3.30 The timetable is linked to the parallel but separate development of the new Grants Policy, and the developing proposals for a new corporate commissioning framework, and development of a Co-production Framework. Development of the programme will align with these.
- 3.31 This timetable assumes that all themes and strands of Community Commissioning will be fully developed and approved by July 2018 and that all services will be commissioned to start in April 2019.

### **Timetable**

<b>2018</b>	January	Co-design with the VCS of rationale, approach and outcome areas for the programme
	March – June	Co-design with the VCS of programme themes, theory of change and final policy framework
	March	Cabinet paper detailing programme rationale, approach and outcome areas
	April	Internal discussion and process on themes and detailed programme arrangements
	March - June	Capacity building programme (internal and external)
	June	Final cabinet approval of themes and detailed programme arrangements
	July – March 2019	Community Commissioning procurement process by services
<b>2019</b>	April	Community Commissioning provision of services commences

## **4. COMMENTS OF THE CHIEF FINANCE OFFICER**

- 4.1 There are no financial implications arising from the specific recommendations in this report.
- 4.2 However, the recommendations within this report have been informed by the work done by Carney Green and New Economics Foundation in evaluating the current MSG programme. The cost of this was approximately £36k and will be funded from the £300k reserve allocated for developing the VCS strategy.

- 4.3 Any further costs to develop and implement the community commissioning strategy will be met through a combination of existing staffing resources and remaining VCS strategy funds. Should that not be sufficient, officers will be obliged to seek appropriate financial approval before committing additional financial resources.

## **5. LEGAL COMMENTS**

- 5.1 This report is seeking for the programme rationale and approach for a Community Commissioning programme to be agreed and for officers to develop detailed proposals for a Community Commissioning programme. This will replace the Mainstream Grants Programme.
- 5.2 The Tower Hamlets Community Plan sets out the vision and priorities for the Borough which has been set by the Council and its partners. Having regard to the Community Plan, the Council has developed the Voluntary and Community Sector (VCS) Strategy 2016-19 and this Strategy sets out an approach to supporting the VCS, based on the co-production of services commissioned with the VCS rather than traditional grants programmes.
- 5.3 Moving to a commissioning model means that the resulting agreement is substantively different from a grant agreement. The key differences are that:
- 5.3.1 the payment of money by the Council may now include a profit element
  - 5.3.2 the Council is obliged to pay for the services tendered regardless of whether continuing funding has been made available which means the budget needs to be more structured and forward planned and
  - 5.3.3 the application process is replaced by a tendering process where offers received are to meet a pre-stated technical specification.
- 5.4 Therefore, the new commissioning model means that each expenditure must be subject to a competitive tendering procedure which must include the publication of pre-advertised evaluation criteria against which received tenders will be measured. The evaluation criteria must be non-discriminatory and the scoring system based upon a mixture of quality and price. However, in doing so the Council will automatically be complying with its Best Value duty under section 3 of the Local Government Act 1999 provided that the performance of the contractor is monitored to ensure the contractual requirements are actually delivered.
- 5.5 In considering the recommendations in this report, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who 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 Consideration of impacts on equality via a full Equalities Assessment will be built into the final Community Commissioning framework report and any appropriate and reasonable mitigation to adverse impacts will be considered.
- 6.2 At this stage, before detailed themes and strands have been developed, an initial Equalities Analysis check does not suggest specific adverse effects. However it is important in respect of the Council's equalities duties to ensure there are appropriate funding arrangements in place to avoid a disproportionate impact on people with protected characteristics and organisations which represent them.
- 6.3 These organisations are often small and can struggle to find the resources to compete for funding through formal tendering. The Community Commissioning capacity building programme will be considered as part of the strategy to ensure the council meets equalities duties.
- 6.4 It is understood that the proposed grants arrangements in the draft Council Grants Policy will help ensure that the council's funding arrangements do meet equalities duties in these cases. Therefore a full equality analysis will also consider proposals for the grants programme.
- 6.5 There are also accessibility issues to consider in terms of the final application and monitoring processes used.

## **7. BEST VALUE (BV) IMPLICATIONS**

- 7.1 Recent legislation, particularly the Localism Act 2010, has emphasised the role of communities working in partnership with local authorities to help achieve more effective and less costly services to local people. The process of co-production of services delivered by local voluntary and community organisations is a tool now widely recognised as a means to achieving this outcome.

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

- 8.1 There are no specific implications with regard to sustainability arising from this report.

## **9. RISK MANAGEMENT IMPLICATIONS**

- 9.1 Given different commissioning resources, there is a possibility that some services may not be able to complete procurement on time, leading to a gap in provision. Mitigating factors include developing clear responsibility within services for procurement and the internal capacity building programme commissioned from Carney Green.
- 9.2 Each theme of the Community commissioning programme will be managed within existing services alongside related service delivery. There is a risk that contract management capacity will be exceeded. It is intended that the programme is designed to take into account existing contract management capacity and to reflect

realistic contract management and monitoring arrangements therefore mitigation of this risk should be built in from the start.

- 9.3 The next stage of the development of the Community Commissioning programme will include governance requirements and other measures to manage risk which may arise.

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

- 10.1 There are no specific implications for crime and disorder reduction arising from this report. However, it is anticipated that there may be organisations supported by the Council through the new funding programmes whose activities will contribute towards crime and disorder reduction.

## **11. SAFEGUARDING IMPLICATIONS**

- 11.1 There are no specific safeguarding implications arising from this report. However, ensuring appropriate consideration is given to safeguarding will be addressed in the development of the Community Commissioning programme, both through governance requirements and in the capacity building programme for the sector proposed.
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### **Linked Reports, Appendices and Background Documents**

#### **Linked Report**

- None

#### **Appendices**

- Appendix 1: Carney Green Community Commissioning Outcomes 31-01-18

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

- None.

#### **Officer contact details for documents:**

N/A

Appendix 1



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# Community Commissioning Workshops Output document

London Borough of Tower Hamlets

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January 2018



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## Appendices

<b>Appendix I</b>	Emerging outcomes
<b>Appendix II</b>	“You said, we did” Workshop, 24 January 2018, Workshop write-up

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# 1. Overview

## Activities completed to date

- 1.1 To inform the rationale for Community Commissioning, the following three initial workshops have been delivered in January 2018:
- Community Commissioning Workshop (12 January 2018) with heads of service at the LBTH Council ('Workshop 1')
  - Community Commissioning Workshop: Shaping the Framework (16 and 18 January) with members of the VCS. This workshop was delivered twice to maximise engagement with the sector ('Workshop 2' and 'Workshop 3').
- 1.2 The objective of these workshops were to:
- Develop a shared understanding of the rationale for the new Community Commissioning programme co-produced with the Community and Voluntary Sector.
- 1.3 Specifically, this involved answering the following research question: *"What will the new Community Commissioning programme try to achieve?"*
- 1.4 The outputs from these workshops were consolidated and reported back to the VCS and heads of service through a 'You said, we did' workshop on 24 January ('Workshop 4'). The output of the Workshop 4 can be found in Appendix II.

## 2. Workshops findings

2.1 This section presents the findings from Workshops 1 to 4.

### Best practice

2.2 Attendees of the 'Shaping the Framework' workshops (Workshops 2 and 3) were asked to identify what has worked well, what has not worked well, and what best practice should be taken forward in the Community Commissioning programme based on MSG and other grants programmes they had delivered. Examples of recommendations to inform future delivery of Community Commissioning included:

- Streamlined application and monitoring, proportionate to the size of the contract
- A focus on outcomes, with greater flexibility in how these are achieved, in order to encourage innovation
- Valuing partnership work, but not requiring it
- A supportive and collaborative monitoring process
- A transparent tendering process that weights toward local knowledge and expertise, as well as other factors
- Reasonable timelines to respond to tenders
- Capacity building for the sector to be able to effectively respond to tenders
- A programme that works in synergy with existing commissioning and strategic priorities
- Services should build evidence for local need and the impact of the approaches developed

### Defining Community Commissioning

2.3 During the workshops, it was identified that Community Commissioning would be a specific approach to commissioning that capitalises on local knowledge and creative solutions to outcomes. Each project funded should be able to demonstrate how their approach is an early intervention to address an evidenced need in the borough. Community Commissioning projects should allow enough flexibility to progress and adapt what has already been achieved through grants and other previous work, but should be based on evidenced approaches that can be shown to have impact. Consideration needs to be given to set-out how evidence of need and impact will be gathered and presented.

2.4 Although Community Commissioning will require a higher level of governance than grants, it will enable the longer-term delivery of projects (typically four years, in comparison to one

year or less for traditional grants. Organisations will also be able to bid for larger amounts of funding than traditional grants.

## Who is Community Commissioning for?

- 2.5 During the first three workshops, attendees were asked to identify which service users should be targeted through Community Commissioning. This led to attendees either identifying specific groups (examples included: women, unemployed, BME groups, elderly people, young people, people suffering with mental health, and those with multiple needs), or attendees having the view that there should a move away for the delivery of targeted services. These attendees felt that services should be universal, and therefore accessible to all, and felt that this approach would encourage creativity in service design.
- 2.6 This was readdressed in the 'You said, we did' workshop, where attendees were asked whether:
- Community Commissioning outcomes should be targeted at specific groups; or
  - Community Commissioning should be universal (e.g. not prescribe different outcomes for different groups)
- 2.7 Attendees felt that Community Commissioning should allow both approaches to be used, based on evidence of need. Priorities should not be group specific (instead they should be universal), enabling bidding organisations to have the opportunity groups to target where necessary. However, it was recognised that there was a risk that the most vulnerable may be excluded if priorities were too generic. It was suggested that partnership and joint working, could help expand the reach of projects and deliver to those most in need.

## Outcomes

- 2.8 Consolidating the outcomes from the three workshops, led to the identification of emerging long-list outcome areas. These included:
- Community resilience and cohesion
  - Inclusion
  - Health and wellbeing
  - Accessibility
  - IT and digital connectivity
  - Employment and skills
  - Tackling poverty
  - Reduction in waste

- Community safety, crime and anti-social behaviour
- Prevention agenda
- Vibrant and successful place
- Social value
- Encouraging innovation
- Coproduction
- Empowerment
- Increasing capacity
- Housing

2.9 These emerging outcome areas were used to group together priority outcomes that had been identified by attendees at the workshops (see Appendix I for the priority outcomes grouped under emerging outcome areas).

2.10 From the emerging outcome areas, five draft priority areas were identified which could be used to frame the Community Commissioning approach.

## Reducing poverty

2.11 This priority focus area was defined as:

*Everyone in Tower Hamlets has the opportunity to lead a healthy and secure life. They are not marginalised or discriminated as a result of financial circumstances.*

2.12 Examples of outcomes, identified by workshop attendees (Workshops 1-3), that could be framed under this priority included:

- Individuals have access to the right entitlement
- Individuals are supported to maximise income
- Individuals are not excluded as a result of poverty
- Effective welfare advice is accessible
- Families are supported to lead financially sustainable lives
- There is a reduced reliance on benefits

## Promotion social cohesion and resilience

2.13 This priority focus area was defined as:

*Creation of a cohesive society which works towards the wellbeing of all members of the community, breaks down barriers to exclusion and marginalisation, creates a sense of belonging, and promotes trust. Individuals are empowered to harness local resources and expertise, for the greater good of their community.*

2.14 Examples of outcomes, identified by workshop attendees (Workshops 1-3), that could be framed under this priority included:

- Community cohesion
- Access to services is universal
- Bringing together people with shared experiences
- Promoting curiosity and opportunities to learn
- Sense of connectedness
- Reducing perceived geographic barriers
- Bringing together people with shared experiences
- Understanding individual value

## Prevention

2.15 This priority focus area was defined as:

*Individuals and communities are empowered to prevent or delay negative impacts on health, promote/improve quality of life, and to create healthy and supportive environments.*

2.16 Examples of outcomes, identified by workshop attendees (Workshops 1-3), that could be framed under this priority included:

- Individuals develop self-reliance
- Creation of networks of support
- Increase in self-management
- Services focused on early intervention

## Empowerment and identity

2.17 This priority focus area was defined as:

*Individuals feel empowered to make a change and have a sense of belonging to the community.*

2.18 Examples of outcomes, identified by workshop attendees (Workshops 1-3), that could be framed under this priority included:

- Everyone in Tower Hamlets knows their place in the world
- Increased opportunities for socialisation
- Increased opportunities for engagement
- Development of inclusive environments
- Individuals are better able to access services
- Increased community voice in commissioning
- Better representation of marginalised groups
- Individuals have agency to change their lives.

## Co-production

2.19 This priority focus area was defined as:

*Individuals and communities in Tower Hamlets are consulted and empowered to inform the delivery of services that they engage with. Community and voluntary sector organisations support one another to deliver effective services.*

2.20 Examples of outcomes, identified by workshop attendees (Workshops 1-3), that could be framed under this priority included:

- Services are co-delivered with citizens
- Vision for TH shared between the community, council, and CVS
- Facilitating community leadership
- Communities are not told what to do
- Services are joined up

## Feedback on priorities

2.21 Workshop attendees were provided with the opportunity to critique the priority areas. Headline findings from these discussions are listed below:

- **Co-production:**
  - is a process not an outcome and should inform the overall delivery of projects;
  - should also include co-design; and

- consideration should be given to the level of co-production that can be incorporated into project design and delivery will be dependent on the capacity of the CVS.
- **Reducing poverty:**
  - the definition should be amended to explicitly refer to improving the financial situation of those in Tower Hamlets;
  - should also makes link to addressing skills deprivation in LBTH, tackling in-work poverty, and housing challenges; and
  - there was consensus that reducing poverty should be a priority informing outcomes, particularly as LBTH has recently been announced as having the highest rate of child poverty in the UK.
- **Promoting social cohesion and resilience:**
  - too many similarities with empowerment and identity;
  - cohesion was seen as a key priority for LBTH (reservations regarding the use of resilience); and
  - should be focused on bringing people together and enabling them to share different experiences.
- **Prevention:**
  - considered to be an approach/principle for Community Commissioning projects – organisations should be asked to show how their intervention addresses need at the earliest stage;
  - also linked to empowerment and identify, as people are given the tools to deliver change;
  - should refer to prevention and early intervention; and
  - more guidance to be provided about the difference areas this could be applied to.
- **Empowerment and identity:**
  - Unsure on the identity element of this priority area (seems too individualised);
  - Empowerment was viewed as important but recognition of its overlap with social cohesion and resilience; and
  - Understanding rights and asserting rights cuts across numerous service areas.

2.22 In addition to the above, attendees were asked to identify whether they felt any priority areas were missing. Two potential additional areas were identified:



- Improved health and wellbeing (health inequality was seen to be a key issue that needs to be addressed)
- A good place to live (this could link to housing, social value, creating a vibrant and successful place and reducing waste – covering off other outcome areas also viewed as priorities).

## Programme rationale and approach

2.23 Based on the above, it was recognised that the five priority areas could be consolidated into four:

- Reducing poverty
- Empowerment and social cohesion (combining two priority areas, and removing the reference to identity and community resilience - focusing on the areas that resonated best with attendees)
- Coproduction
- Prevention

2.24 At the current position, the aim of Community Commissioning is to:

*'Deliver a new approach to commissioning focused on outcomes which are co-produced within the community. Outcomes should provide commissioned organisations with autonomy to be flexible in design and delivery, supporting innovation and creativity, as well as valuing local solutions, knowledge and expertise. Projects should be designed, delivered and evaluated using co-produced and co-designed approaches, and will be expected to show development and improvement over the project lifetime. Prevention and early intervention should be embedded in the design of projects, with commissioned organisations evidencing the impact of their approaches to address an evidenced need in LBTH.'*

2.25 This aim will be further developed, and agreement of definition between the LBTH Council and the VCS will be sought.

2.26 There was consensus that the priority areas should be separated into priority outcome areas, and priority approaches. Reducing poverty, and empowerment and social cohesion were viewed as priority outcome priorities; whilst co-production, and prevention were viewed as approaches that should be characteristics of projects delivered under Community Commissioning.

2.27 Therefore, as it stands, the current overarching priorities for Community Commissioning are:

- **Reducing poverty**

- Definition has been adapted based on Workshop 4 feedback to: *Everyone in Tower Hamlets has the opportunity to lead a healthy and secure life. Skills deprivation is reduced, housing and employment outcomes are improved, and in-work poverty tackled. As a result, those in need within Tower Hamlets, will experience an improvement in their financial situation.*

- **Empowerment and social cohesion**

- Definition has been adapted based on Workshop 4 feedback, and as a result of the consolidation of two priority outcomes to: *Creation of a cohesive society which works towards the wellbeing of all members of the community, breaks down barriers to exclusion and marginalisation, creates a sense of belonging, and promotes trust. Individuals are empowered to become active and empowered citizens, who understand their rights and how to assert them, and want to make a positive difference in Tower Hamlets.*

- 2.28 Further exploration is required into the inclusion of health and wellbeing and creation of a good place to live (recognition that this could be built into empowerment and social cohesion).

## Fit of emerging priorities

- 2.29 The sections below explore the fit of emerging priorities with delivery of the LBTH Council Grants and Traditional Commissioning.

## Grants Policy Framework

- 2.30 The VCS Strategy outlines how although the future direction for supporting VCS activities will be through co-produced, commissioned services funded through contracts, it also states that there continues to be a role for supporting the VCS through grants in limited and specific circumstances. The LBTH Grants Policy Framework 2018-22, currently in draft format and due to be submitted for Cabinet approval the end of March 2018, sets out the circumstances where the Council will consider support for VCS activity which will underpin the development of a new VCS grants programme. The principle objective for the new grants programme is:

*“...to harness the distinctive characteristics of grants to promote sustainable and resilient communities and help enable the VCS continue to make its unique contribution towards achieving the outcomes for the community set out in the Tower Hamlets Community Plan.”*

- 2.31 The framework outlines the grant themes which will structure the programme. The initial grant themes are:

- Innovation: to encourage innovation or pilot something new, especially where there is a gap.
- Prevention: to promote grass roots activity to reduce the need for statutory services;
- Neighbourhood action: to promote local neighbourhood initiatives
- Community cohesion: to develop community resilience, promote cultural opportunities and reduce social isolation
- Capacity building: to enable smaller organisations to become more sustainable, where appropriate providing core funding to lever in other resources.
- Partnership working: making the sector more effective through closer partnership working within the sector and across sectors.

2.32 There will also be two cross cutting themes which all projects funded through the programme will be assessed against. These are:

- Community cohesion: developing community resilience, promoting cultural opportunities and reducing social isolation in the context of the theme; and
- Equality and diversity: demonstrating how people with protected equalities characteristics will be included.

2.33 The proposals for Community Commissioning were reviewed in light of the draft Grants Policy Framework as part of the co-production process, as well as review of existing commissioning priorities, to inform the ongoing development of Community Commissioning. The Community Commissioning proposals and subsequent outcomes framework will stand alone from the Grants Policy Framework.

## Existing commissioning

2.34 There are a number of service specific outcome frameworks to inform service delivery within LBTH. Two examples are the: youth services outcome framework, and the community cohesion outcome framework. Greater awareness/understanding of other frameworks informing service design and delivery is required within LBTH. However, comparisons can be made with the outcome frameworks that are available.

2.35 For example, the vision for the Youth Outcomes framework is:

*By 2020, all young people in Tower Hamlets will be inspired to take ownership of their lives and their futures, and to effect positive change in their communities.*

2.36 This is underpinned by a series of outcomes:

- Young people will have an increased sense of agency in their lives and their communities

- Young people feel more optimistic about their futures
  - Young people are better able to access holistic and supportive opportunities across the borough of Tower Hamlets
  - Young people increase their critical thinking skills
- 2.37 The vision for Community cohesion outcome framework has four overarching outcome areas. These are:
- Community vision and a sense of belonging
  - Diversity of people’s backgrounds and different circumstances are appreciated
  - Strong and positive relationships are developed between different people
  - Those from different backgrounds have similar opportunities

## Emerging priorities overlap

- 2.38 The overlap of priorities between the Grants Framework and other existing frameworks within the Council was highlighted to attendees of the ‘You said, we did’ workshops (see Figure 2.1 below – note this was prior to consolidation of priorities). The overlaps related to prevention in grants and Community Commissioning, and Community Cohesion in grants, and promoting social cohesion and resilience.
- 2.39 On the whole, attendees viewed the overlap of priorities as a benefit rather than concern, as it enabled the VCS to have flexibility in the delivery of services. In particular, grants may be more suitable for smaller organisations and act as a ‘stepping stone’ to Community Commissioning, i.e. once they had tested approaches, developed capacity, and built evidence of need.

Figure 2.1: Comparing grants, Community Commissioning, and traditional commissioning

Grants	Community Commissioning	Traditional Commissioning
Innovation	Reducing poverty	Service specific outcome Frameworks e.g.: youth service, and community cohesion
<b>Prevention</b>	<b>Prevention</b>	
Neighbourhood action	Identity and empowerment	
<b>Community cohesion</b>	<b>Promoting social cohesion</b>	

	<b>and resilience</b>	
Capacity building	Co-production	
Partnership working		

2.40 Based on the emerging priorities, there a link between Community Cohesion and the Youth Outcomes framework, particularly around empowerment. This is particularly apparent in the following outcomes from the Youth Outcomes framework:

- Young people will have an increased sense of agency in their lives and their communities
- Young people are better able to access holistic and supportive opportunities across the borough of Tower Hamlets

2.41 Again, the overlap with empowerment is strong in the Community Cohesion Outcome framework, particularly in the following outcome: those from different backgrounds have similar opportunities. As well as a clear link with social cohesion. Although reducing poverty can be linked to the Youth Outcomes framework and Community Cohesion, the overlap is less pronounced.

### 3. Next steps

3.1 The next step for Community Commissioning is to establish a clear ToC for the new programme. This will set out how and why the programme will achieve its intended change. Specifically, the ToC will answer the following research questions:

- What is the context within which the Community Commissioning programme will be commissioned?
- What is the Community Commissioning programme trying to achieve (What is its aim?)
- What are the required activities to deliver the Community Commissioning programme's intended change?
- How do these activities link to short, medium and longer-term outcomes for the Community Commissioning programme?
- What are the key barriers and enablers to be addressed by the Community Commissioning programme?

3.2 In order to have a clear understanding of the context, it is crucial that findings of the MSG evaluations are disseminated to the VCS, so that learning can be built into the coproduction of Community Commissioning. In addition, there have been numerous requests from Community organisations at the workshops that the Council share data on need within the borough, as well as the data that they have collated from the delivery of MSG to support evidence of need.

3.3 Further exploratory work is required to link the emerging outcomes (Appendix I) to programme themes and the LBTH Strategic Plan and Community Plan. It is likely that these will include a focus on health and wellbeing and creation of a good place to live. The links between these priorities and how they could support the overall achievement of the Community Commissioning aim will be reviewed.

3.4 Delivery of these outcomes will be viewed within the current context of LBTH commissioning and VCS good practice, in order to understand what the short-, mid-, and long-term outcomes will need to be achieved to enable the aim to be reached co-produced with the community and voluntary sector. Examples of activities that could support achievement of these outcomes to be achieved will then be considered in order to guide VCS organisations interested in bidding to the programme, without being overly prescriptive. Potential enablers and barriers of outcome achievement will also be identified to pre-empt any challenges and inform assessment of risks so that mitigations can be put in place.

- 3.5 These activities will result in a full ToC for the Community Commissioning programme which will underpin the development of an Evaluation Framework. The activities informing the ToC will be undertaken between late February and early March.

## Appendix I: Emerging outcomes

The table below is the collation of the emerging outcome areas from Workshop 1 to 3. The text is a direct representation of what was captured on post-it notes and posters (these have not been edited). Some of the headings were identified by workshop attendees and were used to group post-it notes together, whilst others were identified by the facilitation team.

Community resilience and cohesion
<ul style="list-style-type: none"> <li>• Community cohesion (cross-cutting theme), new developments and new people living in the area; connecting people with wider community</li> <li>• Increase community cohesion: through 'connectedness'</li> <li>• Activity to mitigate the negative impact of gentrification; reduce silos (e.g. Idea Stores, Children's Centres)</li> <li>• Increased levels of empathy; linked to connectedness, emotional intelligence, community cohesion</li> <li>• Encouraging volunteering (central body to encourage and support volunteering – may already be being delivered)</li> <li>• Increasing community resilience</li> <li>• Creating accessible services</li> <li>• Treating people as assets and being active participants in the community (supporting delivery of services)</li> <li>• Community services being universal</li> <li>• Reducing perceived geographic boundaries (e.g. gang territories)</li> <li>• Connectedness, re: social isolation, e.g. older people and new parents</li> <li>• Resilience</li> <li>• Bring together people with shared experience – e.g. parents, carers</li> <li>• Cases being able to build resilience – network of support, young, elderly, carers</li> <li>• Communities are more integrated and embrace diversity</li> <li>• People understand their communities better</li> <li>• Increased individual and community resilience</li> <li>• Social justice</li> <li>• Understanding and accepting others in their community – through learning</li> <li>• Increased conversations between different groups – bring people together</li> <li>• Value each other – beyond too fixed labels</li> <li>• Integration (people mixing) – accepted – feels part of the community – increased opportunity</li> <li>• More people understand that making connections is good for them – learning about themselves and others – <u>curiosity</u> – “we have a greater curiosity about the world”</li> <li>• Youth involved in community groups and volunteering</li> <li>• People are able to prosper in TH – not needing to leave the borough</li> <li>• Increased cohesion/integration</li> </ul>
Inclusion
<ul style="list-style-type: none"> <li>• Reducing isolation particularly for BME communities</li> </ul>



- Increasing opportunities for socialisation
- People feel Tower Hamlets is more inclusive
- Social interactions increased
- Increased contributions to communities
- Increase in 55-75 years old accessing activities
- Social isolation and identity
- Identity – everyone in TH ‘knows their place in the world’
- Working with the whole community
- People can participate at the level they want

### Health and Wellbeing

- Increased connectedness and reduced social isolation: young mothers, disabled people, older people, young professionals, people with English as a second language (connectedness links to groups interacting with each other.)
- Improving joint working (e.g. physical activity being prescribed)
- Improved physical health and wellbeing (public health activities, physical activity, diet, healthy lifestyles)
- Arts and contribution to physical and mental health
- Health – keeping people out of care
- Increasing active travel (e.g. walking, cycling), links with physical health, feeling safe (connectedness)
- Preventative health (difficult to measure outputs)
- Improving emotional wellbeing
- Physical and emotional wellbeing
- Healthier population (JSNA as possible measure)
- Wellbeing activities, e.g. reduced isolation

### Accessibility

- Improved access to youth services and facilities
- Services unable to communicate with disadvantaged groups especially EAL (English as an Additional Language) communities who become easy to ignore because of a lack of cultural competency in healthcare, education – informal conversations among disadvantaged groups don't get through to service providers.
- Increased uptake of existing services (especially under-represented groups)
- Information systems need to be joined up – ‘No front door’ – system issue
- Accessibility to help with support
- Free up local facilities for local use
- Review PFI contract with school facilities – most schools unusable after school hours
- Review who is using the council's leisure centres – to understand who are not accessing these services

### IT and Digital connectivity

- Increase use of digital technology for vulnerable people (links with employment, skills, connectedness, social isolation, prevention and health)
- Enabling digital
- Improved access to IT

- Focus on people digitally disadvantaged
- Digital engagement
- Improved access to services and information on services (online) – reducing need to travel
- Creation of accessible digital services

### Employment and skills

- Reduce inequality (literacy in boys, services targeted at White British children and young people who have poorest outcomes, raising aspirations in the face of a massive rich-poor divide)
- Transfer to employment
- Raising aspirations in the borough
- Employment and skills (all sections of the community)
- Employer engagement (job brokerage)
- Support progression
- Inspiration – linked to skills
- Build aspirations
- Employment and skills training programme, more apprenticeship/vocational training
- Improving access and quality of life skills and opportunities
- Employment gained, wages improved
- Local people get skills and qualifications
- School attendance improved – positive PRU exits increase

### Tackling poverty

- Support people to access the right entitlement
- Welfare reform
- Income maximisation and poverty
- Poverty
- Lack of household income
- Support in accessing welfare – maximising income
- Reducing poverty
- Children and older people excluded by poverty
- Access to benefits – impact of change to universal credit
- Access to effective welfare advice
- Access to case-work support for appeals
- Reducing poverty
- Income inequality
- Tackling poverty and social welfare
- Social justice
- Poverty
- Families can live sustainably financially
- Reduced reliance on benefits
- Offering more resources to reduce poverty – e.g. better recycled clothes
- Everyone has enough money to live well
- Reduced poverty

### Reduction in waste

- Reduce food waste (will improve health and reduce poverty)

- Increase re-use/ up-cycle (have a framework for re-use – links with poverty, behaviour challenge, increase skills and employment)

### Community safety, crime and anti-social behaviour

- Increase the extent to which people feel safe
- Focus on young me aged 18-25 for support, crime, substance misuse
- Keeping people safe in their own homes and communities (making adjustments in the home)
- People safe to be who they are anywhere in Tower Hamlets
- People feel secure in being able to stay in housing and having a steady income
- Quick access to temporary accommodation for those fleeing domestic abuse
- Reduction in violent crime
- Reduction in fear
- People safe from violence and prosecution
- Reduction in repeat victimisation
- Gang exit
- Reduced offending and reoffending
- Young people more informed re knife crime etc
- Reduction in knife carrying

### Prevention agenda

- Focus on early intervention
- Early intervention
- Increase in self-management
- Have prevention measures as outcomes
- Smarter demand management (e.g. smarter tools, e-delivery, engaging people to help themselves)

### Vibrant and successful place

- Focus: evidence or opportunity to collect evidence of need (pockets of need that are perhaps not evidenced currently)
- Delivery informed by evidence and need and impact (as well as what works)
- Reduction in grant reliance
- Increase the percentage of social housing and size of housing available

### Social value

- Understanding and embedding ideal social value
- Increase in volunteering

### Encouraging innovation

- Adding value linked to Council's main priorities (in community plan and strategic plan)
- Community organisation becoming more sustainable and self-sufficient (i.e. adopt a bottom-up approach)

### Co-production

- Codelivery with citizens
- Facilitate consortia bidding (Need for adequate time and skills)
- Leverage additional resource to support long-term sustainability of community organisations

- Political challenge (co-production and democratic processes) – take members with you
- Facilitating community leadership (community organised events) – user led
- Joined up services
- Network and effective referral mechanism – follow-up support
- Not doing it to them.... What are we working towards?
- Not telling them what to do... - links with Arts programme – develop confidence etc

### Empowerment

- Self-reliance, Empowerment, Independence – life skills, manage money, independent travel (link to youth framework)
- To be better able to access services (community safety, being able to navigate the system)
- Fear to go outside or talk to people
- Self- confidence – better outcomes in education and attainment – health and wellbeing
- Women feel empowered
- Transforming how people see themselves
- People feel that they can make change
- People feel they have the agency to change their lives
- The experiences of people are recorded and passed on at a policy level
- People feel they can shape services and activity in their community
- Platforms are created for people to have a voice at the council and government level.
- Life management
- Communities support each other
- Increased confidence
- Incidents of confidence, self-advocacy and peer support
- Increased community voice in commissioning
- Better/increased representation of marginalised groups in shaping services
- *“Able to be themselves in the world”* and understand their own value”
- Empowered and confidence and self-worth
- Community delivering change in the borough
- Citizens understand their rights and responsibilities and act on them
- Deliver coach education programme for local residents
- More opportunities for young people age – all ages, all locations
- Engaging people to realise their potential

### Increasing capacity

- Health and welling of workforce
- Increased capacity
- Training workshop to improve capacity
- Capacity building and upskilling
- Improving health and wellbeing of workforce
- Add value funding to existing projects as funding is limited
- Maintaining core activity

### Housing

- Decent homes for everyone

## Appendix II: “You said, we did” Workshop write-up

The tables below capture the output from the workshop session. The text in the tables is a direct representation of what was captured on post-it notes and posters (these have not been edited).

### Discussion 1

Attendees were asked:

*1. Should Community Commissioning outcomes be targeted at specific groups?*

Or

*2. Should Community Commissioning be universal? (e.g. not prescribe different outcomes for different groups)*

- Both – e.g. early help universal, traditionally targeted
- Targeted – smaller pots
- Some areas need to be targeted
- Overarching theme (outcome fleshed out) e.g. fear from violence or identity
- Form partnerships
  
- Contracts could be about bringing different groups together
- Targeting to address barriers, e.g. BME women employment or women and physical activity
- Some targeted and some universal – open to contractors to specify
- Say would like to see application for specific groups e.g. older people to reduce loneliness and isolation
- Need to make universal to promote cohesion otherwise creates resentment
- Need focus on youths e.g. for ASB
  
- Can do both – it’s about getting the balance right
- Services open to everybody
- Universal outcomes but groups could target
- However, if outcomes are too generic certain disadvantaged groups may get ignored.
- Child poverty is particularly high in Tower Hamlets.
- Some groups are more disadvantaged than others
- Cross-cutting theme could be improving health and wellbeing.
- Also need to consider changing needs, as new communities move in.
- Disability does not seem to be on the radar
- Creativity could be a criteria
- Joint working could help support expanding reach
- Important not to duplicate what is already being delivered – this could be reduced through a partnership approach.
- Inequality will show in the data – council need to share data on need
- MSG evaluation findings – want this to be fed back in order to inform this process

**Discussion 2**

Attendees were asked:

1. *Do you agree with the scope of the emerging priority areas?*
2. *Are there any priority areas missing?*
3. *Do the changes that your organisation is trying to make in Tower Hamlets fit within the emerging priority areas?*

**Co-production**

- Co-production difficult for VCS (Particularly for smaller organisations – would need council as an enabler)
- Process not outcome – part of everything else – needs to be empowering
- Approach not a priority area
- Council's expectations need to be clear, allow creativity
- Co-design should be mentioned under co-production – not always co-production, co-design can be sufficient in some cases
- Increasing capacity for delivery organisations across all themes
- Why co-production as a theme? Should be a priority of how all these projects work
- Empowerment – have a voice in the delivery
- It's a process not an outcome
- More about understanding need (co-production is another way of doing this)
- Vague concept – council using it as a fig leaf as resources are reducing
- Shouldn't be penalised if organisations can't coproduce (needs to be on a project by project basis)
- Needs to be funded adequately
- Service design should be informed by those receiving the support (this should be a given)
- Not appropriate for all services (e.g. IAG)
- Legal advice – challenge to think about coproduction

**Reducing poverty**

- Arts and welfare organisations can fit with this – others maybe less so e.g. cycling projects
- Training and education + building financial capability
- Entitlement is an important word + relates to welfare advice + being supported through bureaucracy – structural support
- Also need to emphasise the things we can do locally – realistic
- Poverty definition should be direct – i.e. enough money to have food, shelter + financial security
- Should be explicit that this what it is about
- No.1 priority
- More about addressing skills gaps – addressing the skill deprivation as an outcome to measure
- Tackling in-work poverty (people in employment but still having to use foodbanks)
- Housing – lack of access and issues with the private rental sector
- Social outcomes should be expressed positively – e.g. everyone in Tower Hamlets has a positive standard of living
- Getting people into work – improving opportunities into employment (should be framed under

reducing poverty)

- Improving financial situation – reducing poverty needs to be stronger in the definition
- Impact policy – these are London-wide issues
- Reducing poverty – yes theme to be tackled
- Tower Hamlets – Child poverty highest rate in the UK
- Employment and skills are key – most go under poverty

### Promoting social cohesion and resilience

- Cannot give data to providers who can bring ideas
- Sense of identity, empowerment, and cohesion too connected
- Inclusion and cohesion – very closely related
- Changing hearts and minds – e.g. local people integrate with homeless people through gardening – may change peoples' actions at a higher level – that may move to political engagement
- Cohesion for what – not just bringing people together but being inclusive - addressing social issues.
- Inclusion could be a separate theme but very close to community cohesion
- Promoting conversations and co-operation between neighbours
- Some people are more marginalised than others – e.g. homeless
- Resilience is a loaded word – perhaps we need to re-think the word
- Cohesion is about groups and communities – empowerment and identity is about individuals
- Combining themes – the theme should be “empowerment and community cohesion”
- The word promoting should be taken out, since we want to do it, not promote it.
- Discussed how this links to partnership bids – these are good, but shouldn't be imposed
- Bring people together in common cause, e.g. fighting crime
- Social cohesion – yes should be a theme
- Our organisation fits – yes!
- Building a shared identity/interest between different people
- Tackling the wealth divide – responsibility communities have to each other - bring them together
- Barriers overcoming (cultural)
- People sharing with the community e.g. famous local alumni
- People recognised and understood
- Engagement infrastructure in borough that is accessible to all
- Bringing people together and enabling people to share different experiences
- Feels like an approach more than an outcome
- How to measure? Difficult to measure feelings
- Breaking down loneliness and isolation
- Loneliness is a big theme currently
- Accessible delivery
- Important to bring local people together
- Also comes under health and wellbeing – approach to achieving this.
- Hard to measure (quite nebulous)
- Links to empowerment (expressions of active citizenship) – sit together – also links with co-production.

### Prevention

- It's about addressing the need at the earliest stage – question could be “how can you show that your approach addresses need at the earliest stage?”
- “Most significant change” approach – user feedback
- Logic modelling – inputs, outcomes, outputs, indicators – a capacity building need
- Re: evidence – it could be national/local evidence of need available publicly, but also evidence held by organisations
- Prevention is linked to the empowerment and identity theme
- Environmental focus is important in prevention (parks, public areas) it should stay here
- Health approaches and sport fit
- Prevention provides value for money
- Yes it should be a priority
- Prevention works with criminal justice – works with families and kids for example
- More of an approach
- There should be something with the priority about early intervention
- How organisations evidence prevention key – at ITT and monitoring level
- More specific about what we are trying to prevent, e.g. health support for families etc
- MH resilience, young people and resilience
- Financial prevention
- Support for parents to prevent
- Health – self-management (?) + wellbeing including mental health
- Early years
- Prevention – more definition of whether stand alone theme or crosscutting
- Prevention – how to have as a theme as all themes concern it in someway
- Prevention – not a theme, is a principle for almost all projects
- Or early intervention?
- Within arts organisations this definitely fits with what we do
- Prevention + early intervention
- Mental health

### **Empowerment and identity**

- Group feel positive about this theme
- Poverty – lack confidence to participate in society – create places where people can come together
- Influencing service improvement
- Understanding rights and asserting rights (cuts across a lot of service areas)
- Includes a lot of groups – but still allows room for targeted provision
- Does this overlap with social cohesion and resilience?
- Celebrating Tower Hamlets
- Entrepreneurship and empowering people to innovate, take notice, and be more creative
- We don't like people 'knowing their place'
- Aspiration of young people in the borough
- Agree, look at change within community and change in identity
- New builds, people losing sense of identity
- Access to services should be a cross cutting theme
- Possible separate theme of 'empowerment and inclusion'?
- Empowerment – cross-cutting not a standalone theme?



- Empowering families as well as individuals
- Identity is also a difficult word – take it out. Identity can be about certain groups

### Missing themes

- Consensus result: combined priority “*empowerment and community cohesion*” (merge 2 priorities – cross cutting theme).
- Consolidation of the five themes, into three:
  - Decent standard of living
  - Healthy individuals and communities (social cohesion and resilience fits here)
  - Active and empowered citizens

(All organisations present in the group felt they could deliver their outcomes/the change they are trying to deliver through these outcomes).

Prevention can go across all areas

Co-production, cohesion and resilience and prevention are more approaches which should cut across outcomes.

A fourth theme was added by another groups: A good place to live.

Improving health and wellbeing was seen to be key – health inequality is a key issue that needs to be addressed.
- Access to services comes up many times – should it be its own theme?
- Happiness and good environment
- Sustainability – it’s a discussion point
- Improved health and well-being
- More partnership between corporate and voluntary sectors in coproduction (approach)

### Discussion 3

Attendees were asked:

1. *What is the VCS best placed to deliver through Community Commissioning?  
(consider overlap)*
2. *Is it okay for priorities to overlap between grants, Community Commissioning, and traditional commissioning?*

- Grants – short term and less governance of organisation
  - More stringent monitoring and accountability than grants in community commissioning – community commissioning needs to minimise process of traditional commissioning – PQQ
  - Grants – smaller organisations – grants progress into follow-up community commissioning – community commissioning enables continuation and roll-out
  - Grants to test model and new ideas
  - Grants should not be for what people have always done – core funding of organisations – core funding i.e. overheads and staffing – community commissioning but also sustainability so not dependent
  - Community commissioning needs to link to other commissioning (+ to grants)
  - Innovation should be more accountable and transparent
  - Traditional commissioning – big services
  - Grants to be less onerous + more flexible
- 
- Projects that are for “hard to reach groups”
  - What does co-production mean in community commissioning?
  - Overlap is good
  - Local organisations have track record and experience – Advantage
- 
- More about appropriate approaches
  - Local area knowledge is key, as well as expertise and relationships
  - Community Commissioning allows more freedom to be innovative (more of partnership with council) – co-production with council and commissioned organisations – release constraints on the commissioned organisations
  - Priorities should overlap – allows greater flexibility
  - Traditional commissioning is prescriptive, whereas Community Commissioning should have broader outcomes to allow for creativity and innovation
  - Not clear on differences between grants, community commissioning and traditional commissioning and how they will work alongside each other. This needs to be better communicated by the Council.
- 
- Nothing wrong with overlap in broad areas
  - Grants can be more experimental, e.g. deliver events

- Community Commissioning delivering services
- Commission things that have tangible outputs
- Need for capacity building
- Call it what it is – commissioning
  
- Shared learning as we go along – what is working and what isn't
- Innovation should be in the community commissioning column
- Contract review and variations are possible – there should be some devolution of decision making on this in council and some flexibility
- Coproduction is important – should stay with the programme... being iterative with outputs – achieving outcomes in different ways through the 4 years of the programme
- The added value for the programme is the coproduction with the VCS. This allows you to determine realistic approaches
- Its fine for priorities to overlap, but there needs to be differentiation if they do...in terms of approach



<p><b>Cabinet</b></p> <p>20 March 2018</p>	 <p><b>TOWER HAMLETS</b></p>
<p><b>Report of:</b> Zena Cooke Corporate Director, Resources</p>	<p><b>Classification:</b> Unrestricted</p>
<p><b>Corporate Voluntary and Community Sector Grants Policy</b></p>	

<b>Lead Member</b>	<b>Mayor John Biggs</b>
<b>Originating Officer(s)</b>	Emily Fieran-Reed, Service Manager, Community Cohesion, Engagement and Commissioning David Freeman, VCS Strategy Manager
<b>Wards affected</b>	All
<b>Key Decision?</b>	Yes
<b>Community Plan Theme</b>	<b>One Tower Hamlets</b>

## Executive Summary

The Voluntary and Community Sector (VCS) Strategy agreed in 2016 sets out the Council's approach to working with the VCS. The strategy sets out an approach to funding the VCS which is principally through commissioned services funded through contracts. However, the strategy also includes a commitment to maintain a limited grants programme so that the Council can retain the ability to fund VCS organisations through a grant in specific circumstances where it can be shown this is a more effective way to support community activity than through a contract.

The Corporate Grants Programme is being developed in two phases through a process of co-production with the VCS. This paper presents the outcome of the first phase, a policy framework for a corporate approach to grants. This policy framework will underpin the second phase, developing the detail of the individual grant themes within the corporate programme and appropriate processes and procedures to administer the programme. This work is being taken forward through a second round of co-production with the VCS and it is anticipated the final programme will be brought back to Cabinet and launched in the summer.

## Recommendations:

The Mayor in Cabinet is recommended to:

1. To agree the attached policy framework for a corporate grants policy, and
2. To instruct officers to develop proposals for a detailed grants programme to be launched in the summer of 2018.

## **1. REASONS FOR THE DECISIONS**

- 1.1 The Voluntary and Community Sector (VCS) Strategy agreed in 2016 commits the Council to a new approach to supporting the VCS. The Strategy sets out an approach which is based on the co-production of services commissioned from the VCS rather than traditional grants programmes. Proposals are currently being developed for a programme of Community Commissioning which will take forward this new approach.
- 1.2 The VCS Strategy acknowledges there remains a role for grants and makes a commitment to continue to provide grants in limited and very specific circumstances. This report brings forward proposals for a policy framework for grants which would help achieve this commitment.

## **2. ALTERNATIVE OPTIONS**

- 2.1 The Council could do nothing but in doing so, it would then be failing to meet a commitment from the VCS Strategy.

## **3. DETAILS OF REPORT**

### **Background**

- 3.1 The proposal to set up a new corporate policy for grants comes from the VCS Strategy. The specific actions from the VCS Strategy are:
- Determine future funding priorities and models;
  - Review existing spend and identify the most appropriate funding approach;
  - Streamline grants into a single process and develop:
    - Management arrangements;
    - Methods of measuring impact;
    - Cross-party decision making process - consider involving the VCS in this process, and
    - Publish details of grants made.
- 3.2 The VCS Strategy also suggests areas which might be included in the new policy:
- One-off pump-priming/seed-corn funding to encourage innovation or pilot something new, especially where there is a current gap;
  - Capacity building to enable smaller organisations to participate in commissioning;
  - Small, flexible, grants to encourage community cohesion, resilience and local action;
  - Reducing social isolation and providing events and cultural opportunities;

- Where delivery needs to be from the VCS specifically.

This is not an exhaustive list but is indicative of what might be included.

- 3.3 The Grants Determination Sub-Committee agreed proposals to take this work forward in July 2017. Since then work has progressed on analysing existing grants provision to determine what should be incorporated into the new policy, setting up a joint VCS/Council reference group to oversee the process and developing the co-production model for the policy with TH Council for Voluntary Service (THCVS).
- 3.4 The recommendations of this report have been assessed against the principles and undertakings set out in the Compact between the Council and VCS organisations set out elsewhere on this agenda. The recommendations specifically support undertakings 2.3, design through co-production, 2.6, impact on small organisations, and 3.2, a wide range of funding opportunities. The second phase of the development of the grants programme will also pay due consideration to the Compact to ensure proposals are Compact compliant.
- 3.5 A report setting out a proposed framework for community commissioning is also elsewhere on this agenda. The proposals in that report and those contained in this report are complementary approaches to supporting the voluntary and community sector after the current Mainstream Grants programme ends in March 2019.

### **Key messages**

- 3.6 At the launch of the process in October it was stated the key principles in the co-production of the grants programme are:
- Grants will continue to have a role in supporting local community action to meet the needs articulated in the Community Plan and the Strategic Plan;
  - The circumstances where grants are more appropriate than commissioning will be clear and consistent;
  - The policy will apply to all grants made by the Council to VCS organisations and, as far as possible, they will form part of one corporate programme;
  - The grants process will be transparent and fair;
  - The new grants policy will complement the replacement for MSG, Community Commissioning. The grants policy is intended to stimulate greater and more effective support for the VCS, not reduce it. This principle will inform the determination of the grants budget;
  - The Council is committed to developing the grants policy and subsequent work to develop this into a new programme through co-production with the voluntary and community sector;
  - Organisations will be able to participate in ways which suit their circumstances and preferences through open meetings, engagement via their own meetings, engagement with community researchers and an open on line survey;

- All organisations are encouraged to participate in the process but the Council is particularly keen to engage with smaller community groups and groups representing people with protected equalities characteristics.

Grants are also an important mechanism for facilitating activity which may provide an evidence base for or otherwise inform future commissioning of services.

### **Policy Framework**

- 3.7 The draft policy framework is attached at appendix A.
- 3.8 The VCS Strategy clearly sets out the way forward for supporting the VCS being principally through commissioned contracted services. However, the Strategy there remains a legitimate if limited role for grants in the overall funding regime. The Grants Policy Framework sets out a rationale for grants, highlighting the distinct characteristics which need to be considered when deciding whether a grant is the most appropriate fund mechanism.
- 3.9 From this a number of themes were developed through the co-production process where a grant process would be more appropriate and achieve better outcomes than a commissioning programme. These are:

Innovation	to encourage innovation or pilot something new, especially where there is a gap
Prevention	to promote grass roots activity to reduce the need for statutory services
Neighbourhood action	to promote local neighbourhood initiatives
Community cohesion	to develop community resilience, promote cultural opportunities and reduce social isolation
Capacity building	to enable smaller organisations to become more sustainable, where appropriate providing core funding to lever in other resources, and to support the work of infrastructure organisations
Partnership working	making the sector more effective through closer partnership working within the sector and across sectors

- 3.10 In addition, it is suggested there are two cross cutting themes which all projects funded through the corporate grants programme will be assessed against. These are:
- Community cohesion developing community resilience, promoting cultural opportunities and reducing social isolation in the context of the theme, and
  - Equality and diversity demonstrating how people with protected equalities characteristics will be included



- 3.11 New themes may be developed in the future as needs and priorities change. It would also be possible to develop a new theme specifically to manage a funding stream which becomes available for a very specific purpose.
- 3.12 The policy framework provides a template where the detailed scheme for each theme can be developed setting out the rationale for using grant as the funding mechanism, priorities and outcomes, examples of projects and activities, the overall budget and how much individual grants may be, the application process and deadlines and the monitoring arrangements. The scheme for each of the themes set out in the policy framework will be co-produced with the VCS.
- 3.13 The policy framework also sets out the overall principles of the grants programme in relation to eligibility and funding.
- 3.14 The VCS Strategy sets out which types of organisation should be considered to be not for profit and part of the wider definition of the voluntary and community sector. The co-production process confirmed this should be the basis of eligibility for grant funding and that only groups, not individuals, should be eligible.
- 3.15 While there was a general consensus the grants programme should focus on supporting local groups and organisations, it was also felt there was a risk of losing valuable services if this focus was too prescriptive. The definition of locally based therefore allows for a local connection rather than necessarily being locally based.
- 3.16 Good governance is an essential requirement but should also be proportionate to the size of organisation and type of activity. The position of groups which are not formally constituted was extensively discussed in the co-production process. These are groups which can often use small amounts of funding very effectively and there was concern that the requirement for appropriate governance should not become a barrier. There was strong support for developing processes where unconstituted groups could put forward funding proposals with another VCS organisation acting as an 'accountable body'.
- 3.17 Placing size restrictions for eligible organisations was not felt to be appropriate for the grants programme as a whole but some grant themes might give priority to smaller organisations which would be reflected in the individual theme schemes.
- 3.18 The second set of principles set out in the policy framework relates to funding. There was a widely supported view in the co-production process that the corporate grants programme should not be limited to small grants as is the case in a number of other boroughs. The principle underpinning any maximum level for an individual grant should relate to the activity and whether a grant is the most appropriate funding mechanism not that there is a threshold above which funding through grants ceases to be appropriate. It was accepted that a maximum limit gives an indication of the size project a grant theme might be targeting and that it might be appropriate both for this reason and to ensure a spread of the available budget to apply a limit to some grant themes.
- 3.19 The grants programme should provide both one off project funding and revenue funding for a specified period. Each grant theme will state whether it will provide

one or the other or both. This will be reflected in the monitoring arrangements. Where revenue funding is provided it may be for up to two years subject to review at the end of year one.

- 3.20 One of the principal characteristics of grants is that they can unlock other resources either in cash or in kind. All grants themes will therefore require that a quantifiable contribution is made to the proposed activity either in cash or in kind from other sources. However, the consensus view from the co-production process was that match funding can act as a barrier to smaller groups and, while it is reasonable to expect groups to lever in other resources, there should not be prescribed levels of match funding.
- 3.21 The grants programme will not exclude organisations which already receive support from the Council or other public bodies. However, where appropriate, some grants themes, such as Innovation, may give priority to groups which are not already funded.
- 3.22 The policy framework also addresses the issue of decision making. There is an inevitable tension between having a process which is sufficiently responsive to make decisions within a reasonable time frame to avoid the loss of momentum in a new project and the need for transparency and accountability. Policy framework therefore proposes that the Council will establish robust processes to ensure that decision making is proportionate and appropriate to the levels of funding and type of activity to be funded. Powers delegated to officers will be used as far as possible to determine individual grants and requests to vary the agreed use of grants with regular reports to the Council's Grants Determination Sub-Committee (or any successor body) to ensure transparency and Member level scrutiny.

### **Work programme**

- 3.23 The overall grants programme is being taken forward in two overlapping phases, developing first the policy framework, which is the focus of this report, and then shaping the scheme and processes which will support it.
- 3.24 Policy development – focus on defining what is most appropriately funded through grants, strategic priorities and outcomes, eligibility criteria, limits – time period, size, frequency etc.
- 3.25 Scheme and process – more detailed discussion of priorities and outcomes, application and decision making process, monitoring and impact assessment
- 3.26 The timetable is linked to the parallel but separate development of the Community Commissioning programme to replace MSG, proposals for a new corporate commissioning framework, enhancing social value from Council contracts and the Community Plan refresh. The attached chart (appendix B) shows the linkages between the new small grant policy, the commissioning framework and Community Commissioning.
- 3.27 The first round of the new grants programme has a longer timescale than subsequent rounds to allow time for additional training and development within the

VCS, and also to accommodate any unforeseen issues. The first grant payments should coincide with the first payments in the programme to replace MSG.

### Timetable

2017	October to December	Co-production engagement with VCS and other stakeholders on policy framework
2018	January to March	Internal discussion and process for decision on policy framework by Cabinet in March
		Begin co-production of second stage
	April to June	Finalise second stage
	July	Launch new scheme – first round of applications
	September	Grant for infrastructure support made available
	December	Decisions made on first round
2019	April	First payments

### Co-production Process

3.28 The co-production programme for the first phase, developing the policy framework, included:

- Open meetings including an introductory meeting, workshop sessions and an open feedback meeting at the end of the process;
- Outreach sessions/focus groups with particular focus on groups representing people with protected equalities characteristics;
- Community research to engage with local people, particularly those unable or uncomfortable with participating in open meetings;
- Open survey for individuals and organisations to record their own views and observations.

3.29 Tower Hamlets CVS co-ordinated the engagement with the VCS and other stakeholders from the community.

3.30 Over 70 organisations engaged in the open sessions, five focus groups and a number of individual conversations.

3.31 The engagement was very positive, building on the discussions which took place in developing the VCS Strategy and developing some new ideas. The policy framework document brings together the outcome of that engagement and reflects the general consensus of what the shape of future grant making in the Council should look like.

## 4. COMMENTS OF THE CHIEF FINANCE OFFICER

4.1 The report sets out the VCS policy framework for a corporate grants policy that will support future grants programmes, and is expected to be launched in the summer of 2018.

4.2 The actions are expected to be delivered within existing budgeted resources and officers will therefore be obliged to obtain appropriate financial approval for any potential spend that exceed the current envelope. However current expectations are that existing funding will be sufficient to contain the proposed VCS grants framework and not result in any additional financial impact.

## **5. LEGAL COMMENTS**

5.1 This report advises of a proposal to set up a new corporate policy for grants arising out of the Council's Voluntary and Community Sector Strategy and seeks approval of the policy framework for a corporate grants policy.

5.2 Whilst there is no strict legal definition of grant, a grant is in the nature of a gift and is based in trust law as opposed to the law of contracts. 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.

5.3 Grants are exempt under the law from a tendering process. However, the Council must ensure that the public has a fair and even opportunity to benefit from the Council's resources. Therefore, any grants made under this policy must be subject to an open application procedure where the evaluation criteria for winning a grant are published in advance. The Council must also be able to demonstrate a clear rationale for awarding a grant.

5.4 There will be many grants which are made by the Council for the purpose of discharging one of its statutory duties. However, all of the grants will be subject to the Council's Best Value duty in accordance with Section 3 of the Local Government Act 1999. Therefore, the Council must ensure that the grant terms provide for a clear methodology for monitoring the use of the grant, clear objectives to be achieved with the grant and sufficient rights of reclamation of the money in the event of the misuse of the grant. The Council must also resource the efficient monitoring of the grants.

5.5 To give a grant, the payment must be supported under a statutory power, depending upon the outcomes achieved and the activities supported. In that regard, section 111 of the Local Government Act 1972 gives the Council has power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions. This may involve expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights. Further, 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 also support the payment of grants. However, each grant or area of grants must be clearly linked to the discharge of a particular function of the Council.

5.6 The policy framework provides a template under which detailed schemes for each theme can be developed setting out the rationale for using grant as the funding mechanism, priorities and outcomes, examples of projects and activities, the overall

budget and how much individual grants may be, the application process and deadlines and the monitoring arrangements. This demonstrates compliance with the Council's Best Value Duty.

- 5.7 In considering the recommendations in this report, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not (the public sector equality duty). A proportionate level of equality analysis is required to discharge the duty. Also, when determining how the overall budget for the grants is divided and for the award of grants in each area the Council must ensure that the equality analysis is revisited throughout the process to ensure that the Equality Act Duty is adhered to throughout the whole decision making process.

## **6. ONE TOWER HAMLETS CONSIDERATIONS**

- 6.1 It is important in respect of the Council's equalities duties to ensure there are appropriate funding arrangements in place to avoid a disproportionate impact on people with protected characteristics and organisations which represent them. These organisations are often small and do not necessarily feel equipped to compete for funding through formal tendering. The new grants arrangements will help ensure that the Council's funding arrangements do meet equalities duties. A full equality analysis will be carried out as detailed proposals for the grants programme are developed.

## **7. BEST VALUE (BV) IMPLICATIONS**

- 7.1 Recent legislation, particularly the Localism Act 2010, has emphasised the role of communities working in partnership with local authorities to help achieve more effective and less costly services to local people. The process of co-production of services delivered by local voluntary and community organisations is a tool now widely recognised as a means to achieving this outcome.

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

- 8.1 There are no specific implications with regard to sustainability arising from this report.

## **9. RISK MANAGEMENT IMPLICATIONS**

- 9.1 There are no specific implications with regard to risk arising from this report. The next stage of the development of the grants programme will include governance requirements and other measures to manage risk which may arise.

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

- 10.1 There are no specific implications for crime and disorder reduction arising from this report. However, it is anticipated that there may be organisations supported by the Council through the new funding programmes whose activities will contribute towards crime and disorder reduction.

## **11. SAFEGUARDING IMPLICATIONS**

- 11.1 There are no specific safeguarding implications arising from this report. However, ensuring appropriate consideration is given to safeguarding will be addressed in the development of the grants programme.
- 

### **Linked Reports, Appendices and Background Documents**

#### **Linked Report**

- NONE.

#### **Appendices**

- Appendix 1 - Draft Grants Policy Framework

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

- None.

#### **Officer contact details for documents:**

N/A

# London Borough of Tower Hamlets

## Grants Policy Framework 2018-22

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## **Introduction**

The VCS Strategy agreed by the Council in 2016 sets out the unique strengths of the VCS and the need for the Council to continue to support, empower and build the future capacity of the VCS for the sector to be able to continue respond to complex issues spanning a range of areas including welfare, unemployment and housing.

While the future direction for supporting VCS activities will be through co-produced, commissioned services funded through contracts, the Strategy states there continues to be a role for supporting the VCS through grants in limited and specific circumstances. The purpose of this policy framework document is to set out the circumstances where the Council will consider support for VCS activity through grants and underpins the development of a new corporate VCS grants programme.

This policy framework has been co-produced with the VCS and represents a shared vision of the future of grants from the Council. This document states what the Council and the VCS are seeking to achieve through the corporate grants programme, the initial grant themes, principles of eligibility and funding, decision making and accountability. The more detailed scheme and outcomes for each grant theme together with the processes and procedures for the grants programme will be developed through a further co-production process with the VCS.

## **Objectives**

The Council's principal objective in developing a new corporate grants programme is to harness the distinctive characteristics of grants to promote sustainable and resilient communities and help enable the VCS continue to make its unique contribution towards achieving the outcomes for the community set out in the Tower Hamlets Community Plan.

The Council will assess to what extent it is achieving the objective of the corporate grants programme through an annual appraisal, drawing on the monitoring and evaluation of individual projects, which will be made public, and a full review and refresh in four years' time.

## **Characteristics of Grants**

Grants are essentially responsive, dependent on the community generating and bringing forward ideas and proposals for activities to achieve positive outcomes rather than responding to a more prescriptive tendering process. It is the responsive nature of grants which sets it apart as the most appropriate mechanism for funding some types of activity. The Council is committed to a process of co-production for services delivered by the VCS whether funded through grants or contracts. The increasing involvement of the sector and service users in the design and delivery of services to some extent blurs what was the clear distinction between grants and contracts. However, the Council accepts an important distinction remains.



Supporting VCS activity through grants has a number of other characteristics which distinguish it from contractual funding mechanisms. These can be summarised as:

- **Empowerment** provides the financial means for communities to do things for themselves
- **Innovation** responsive to new and emerging needs
- **Flexibility** can adjust to meet changing needs
- **Reach** can be accessible to groups which would not otherwise be able to get funding through contractual arrangements
- **Risk** shares the risk of new innovation between the provider and the funder
- **Cost effective** can lever in other resources to support community activity

In deciding whether a grant or a contract is the most appropriate method of supporting an area of VCS activity, the Council must decide how important the distinct characteristics of grants are to the successful achievement of the desired outcomes.

## Grant themes

The grants programme will be delivered through a number of different grant themes. The VCS Strategy and the co-production work which has developed this policy framework have determined an initial set of grant themes set out below where the distinct characteristics of grants are important to achieving the desired outcomes. However, the purpose of this programme is to facilitate all grant making from the Council to the VCS. Where new grant themes are set up, including those where the Council is acting as an agent for external funds from, for instance, national government, it is intended that they will be administered through the corporate grants programme.

The initial grant themes are:

- **Innovation** to encourage innovation or pilot something new, especially where there is a gap;
- **Prevention** to promote grass roots activity to reduce the need for statutory services;
- **Neighbourhood action** to promote local neighbourhood initiatives
- **Community cohesion** to develop community resilience, promote cultural opportunities and reduce social isolation;
- **Capacity building** to enable smaller organisations to become more sustainable, where appropriate providing core funding to lever in other resources, and to support infrastructure organisations, and

- **Partnership working** making the sector more effective through closer partnership working within the sector and across sectors.

In addition, there will be two cross cutting themes which all projects funded through the corporate grants programme will be assessed against. These are:

- **Community cohesion** developing community resilience, promoting cultural opportunities and reducing social isolation in the context of the theme, and
- **Equality and diversity** demonstrating how people with protected equalities characteristics will be included

The pro forma scheme to set out the detail for individual grant themes is attached at appendix A

## Principles - Eligibility

The programme has common eligibility criteria for all grant themes. Some grant themes may need to include additional criteria

**Not for Profit** The grants programme will only support activities run by groups which can demonstrate they are set up as not for profit groups. The types of organisation which the Council considers to be not for profit is set out in the VCS Strategy and included in this policy framework at appendix B. Individuals will not be eligible.

**Locally based** The grants programme is intended to support the local VCS and community activity. The eligibility criteria for all grant themes reflect this principle. Organisations based outside the borough are not excluded from eligibility but they must show very clear connections to Tower Hamlets either through existing activity or local leadership of the proposed project. Applications will be encouraged from organisations based across the borough.

**Good governance** Organisations will be expected to achieve an acceptable level of governance with appropriate policies for the activities they propose to undertake. The acceptable level will be proportionate to the size of organisation and type of activity. The Council will accept applications from organisations in the process of developing appropriate policies but funding will not be paid until they are in place.

Proposals from un-constituted groups will be accepted but these should be supported by an organisation with appropriate levels of governance which will act as the 'accountable body' for any funds awarded.

**Size** Some grant themes may give priority to smaller groups but the programme will be open to all not for profit organisations

## **Principles – Funding**

**Individual limits** The programme will not prescribe a limit to individual grants subject to the budget available. However, it may be appropriate because of the nature of the grant theme or external funder requirements to limit the maximum level of individual grants in some themes. In the initial grant themes the maximum individual award will be £xx,xxx for all funds except capacity building and core funding.

**Funding period** The programme may provide grants which are one off project funding or revenue funding for a stated period subject to annual review if more than a year. The normal period for revenue funding would be a maximum of two years. Each grant theme will define an appropriate funding period for the type of activity it is supporting.

**Other resources** One of the principal characteristics of grants is that they unlock other resources either in cash or in kind. All grants themes will therefore require that a quantifiable contribution is made to the proposed activity either in cash or in kind. However, prescribed levels of match funding will not be required.

**Other funding** The grants programme will not exclude organisations which already receive support from the Council or other public bodies. However, where appropriate, some grants themes, such as Innovation, may give priority to groups which are not already funded.

## **Decision Making and Accountability**

The distinctive characteristics of grants include being responsive and flexible. In order to achieve this, the Council will establish robust processes to ensure that decision making is proportionate and appropriate to the levels of funding and type of activity to be funded.

Powers delegated to officers will be used as far as possible to determine individual grants and requests to vary the agreed use of grants with regular reports to the Council's Grants Determination Sub-Committee (or any successor body) to ensure transparency and Member level scrutiny.

Scheme template for each Grant Theme

<b>Grant Theme</b>	
<b>Rationale for grant funding</b>	
<b>Community Plan Priorities &amp; Outcomes</b>	
1.	
2.	
3.	
<b>Scheme outcomes and description</b>	
<b>Examples of projects and activities</b>	
<ul style="list-style-type: none"> <li>• .</li> </ul>	
<b>Levels of Funding Available</b>	
<b>Application process</b>	
<b>Deadlines</b>	
<b>Monitoring arrangements</b>	
<b>Contact details for further information</b>	

Voluntary and Community Sector organisations as defined by the VCS Strategy 2016-19 are

- Registered charities
- Community groups
- Community associations
- Tenants and residents groups
- Green Spaces Friends Groups
- Co-operatives and social enterprises
- School/parent groups
- Faith organisations
- Sports, environmental, arts and heritage organisations
- Grant making trusts
- Housing associations
- Non-constituted groups of residents working together to make a difference in their local communities

**Appendix B**

**Commissioning**

Autumn 2017  
Overview of existing Council grants and contracts

Winter 2017/18  
Priorities for grants and contracts identified

Spring 2018  
Develop new approach to grants and commissioning including transition plan

Summer 2018  
Launch new approach

Autumn 2018  
First phase of new commissioning process begins

**Community Commissioning**

12 Sept 2017 Grants Determination Sub Decision on extension of MSG and announcement to VCS of intention to commission

Early autumn 2017  
Stakeholder engagement & training

Autumn 2017  
Co-production of service design

Winter 2017/18  
Stakeholder events

Spring 2018  
Prospectus drafted & signed off

Summer 2018  
Bidding process (3 months)

Autumn 2018  
Assessment and decision making

Early 2019  
Contract mobilisation process

1 April 2019  
New services commence


**Grants policy**

Autumn 2017  
Co-production of policy

Winter 2017/18  
Decision making process

Spring 2018  
Detailed scheme development

Summer 2018  
New scheme launched

<p><b>Cabinet</b></p> <p>20<sup>th</sup> March 2018</p>	 <p><b>TOWER HAMLETS</b></p>
<p><b>Report of:</b> Zena Cooke, Corporate Director, Resources</p>	<p><b>Classification:</b> Unrestricted</p>
<p><b>The Compact with the Voluntary and Community Sector</b></p>	

<b>Lead Member</b>	<b>Mayor John Biggs</b>
<b>Originating Officer(s)</b>	David Freeman, VCS Strategy Manager
<b>Wards affected</b>	All
<b>Key Decision?</b>	No
<b>Community Plan Theme</b>	<b>One Tower Hamlets</b>

## Executive Summary

The Compact is a way of working between the voluntary sector and the public sector setting out agreed values and principles.

The current Compact between the Council and the local voluntary and community sector was agreed in 2011. The Voluntary Sector Strategy action plan agreed by the Mayor in Cabinet in April 2016 includes a commitment to renew the Compact. This report presents a renewed Compact to take the relationship between the Council and the voluntary sector forward.

## Recommendations:

The Mayor in Cabinet is recommended to:

1. Agree the Compact between the Council and the Voluntary and Community Sector set out in Appendix A.

## 1. REASONS FOR THE DECISIONS

- 1.1 The renewal of the Compact is a commitment from the VCS Strategy 2016-19 Action Plan

## **2. ALTERNATIVE OPTIONS**

- 2.1 The Council could do nothing and keep the current Compact but the current Compact, agreed in 2011, is no longer considered to be fit for purpose to meet the challenges of the changed relationship between the voluntary sector and the public sector.

## **3. DETAILS OF REPORT**

### **3.1 Background**

- 3.2 The previous Compact between the Council and the Voluntary and Community Sector (VCS) was adopted in 2011. Since that time the Council's relationship with the VCS has developed and changed with a new VCS Strategy agreed in 2016 bringing a different funding relationship with the sector, changes in the arrangements for the Council providing premises for VCS organisations and, more widely, the pressures of the reduction in public spending.
- 3.3 Against this backdrop of change it is appropriate to review and renew the Compact and the values and principles which underpin the relationship between the sectors. Agreeing a new Compact is therefore one of the key actions of the Council's VCS Strategy 2016-19.
- 3.4 The Council began discussion with the VCS early in 2017 to co-produce a revised Compact which would align with the VCS Strategy and reflect the current relationship between the sectors.
- 3.5 A number of sessions were held with representatives of the VCS including an open workshop session in February attended by 25 representatives of the Council and the VCS including the then Cabinet Member responsible for the VCS.
- 3.6 Work has continued looking at best practice and central government guidance on Compacts to develop a Compact which meets the concerns and aspirations of the local VCS and adapts practice used commonly by other local authorities and central government to the local context in Tower Hamlets.
- 3.7 Appendix A sets out the draft Compact for consideration. Appendix B maps the issues raised by the sector during the discussion process against the principles and undertakings set out in the revised draft Compact. The draft Compact has been discussed with the VCS and comments have been incorporated where appropriate.
- 3.8 The Compact is aligned with the VCS Strategy and will inform the development of the Corporate Grants programme and the Community Commissioning programme which will replace the current MSG and other



VCS grants programmes. It will also align with other key Council strategies and policies such as the Community Engagement Strategy.

- 3.9 The renewed Compact is a key commitment in the VCS Strategy action plan. Responsibility for the Compact and its implementation will rest with the VCS Strategy Delivery Group. This joint Council and VCS group has overall responsibility for the delivery of the VCS Strategy.

#### **4. COMMENTS OF THE CHIEF FINANCE OFFICER**

- 4.1 There are no financial commitments arising from this report.

#### **5. LEGAL COMMENTS**

- 5.1 The Tower Hamlets Community Plan sets out the vision and priorities for the Borough which has been set by the Council and its partners. Having regard to the Community Plan, the VCS strategy is considered as being necessary or desirable to deliver a variety of the Community Plan objectives.
- 5.2 The Council has a range of specific statutory powers and duties which provide for partnership and community arrangements. In addition Section 111 of the Local Government Act 1972 permits the Council to do things (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) calculated to facilitate, or conducive or incidental to, the discharge of any of its functions. Section 1 of the Localism Act 2011 gives the Council general power of competence to do anything that individuals generally may do, subject to specified restrictions and limitations imposed by other statutes.
- 5.3 The development and implementation of a revised Compact setting out a way of working between the voluntary sector with agreed values and principles is a commitment of the current VCS strategy. The development of a strategy to support the VCS is something an individual may do and thus is also something that the Council may do. The development and delivery of a VCS Strategy is within the powers of the Council and the development and implementation of a Compact as required in the VCS strategy is also within the powers of the Council.
- 5.4 In updating the Compact, the Council must also comply with its obligation 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”. This is addressed further in paragraph 7 below.
- 5.5 In considering the recommendations in this report, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who 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 relationship between the public and voluntary sector is a key element of achieving the aims of One Tower Hamlets. By defining common values and principles and setting out explicit undertakings from each sector, the Compact will help ensure the VCS continues to work with the Council towards the common goals One Tower Hamlets seeks to achieve.

## **7. BEST VALUE (BV) IMPLICATIONS**

- 7.1 The VCS is an important partner in the delivery of quality public services to residents of the borough. By helping to define and underpin a positive relationship between the public and voluntary sectors the Compact will support partnership and co-production of services for local people.

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

- 8.1 There are no direct environmental implications arising from the Compact.

## **9. RISK MANAGEMENT IMPLICATIONS**

- 9.1 There are no direct risk management implications arising from the Compact.

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

- 10.1 There are no direct crime and disorder implications arising from the Compact.

## **11. SAFEGUARDING IMPLICATIONS**

- 11.1 The Compact includes specific reference to ensuring volunteers have DBS checks where appropriate and places a requirement on both public bodies and the voluntary sector to ensure this happens.

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### **Linked Reports, Appendices and Background Documents**

#### **Linked Report**

- None.

#### **Appendices**

- Appendix A The Compact
- Appendix B Compact commentary

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

- NONE

#### **Officer contact details for documents:**

N/A

**London Borough of Tower Hamlets**

# **Compact**

**between**

**Tower Hamlets Council**

**and the**

**Voluntary and Community  
Sector**

**2018 - 22**

## What is a Compact?

Compacts are partnership agreements between public bodies and voluntary and community sector (VCS)<sup>1</sup> organisations to improve their relationships and provide a framework within which the sectors can understand what to expect from each other, thereby enhancing their contribution to the local community.

The 'Compact way of working' sets high level outcomes in the National Compact for an effective partnership between all levels of government and the VCS which is reflected in local compacts. These outcomes are:

1. A strong, diverse and independent VCS;
2. Effective and transparent design and development of policies, programmes and public services;
3. Responsive and high-quality programmes and services;
4. Clear arrangements for managing changes to programmes and services, and
5. An equal and fair society

Local compacts set out a series of undertakings for public bodies and for the voluntary and community sector to help achieve each of these outcomes in their local area and in their own particular circumstances.

## Community Plan and VCS Strategy Principles

The Tower Hamlets Community Plan sets out a vision of the future of Tower Hamlets which is shared by all sectors that,

*“The borough is a place where everyone has an equal stake and status, where people have the same opportunities as their neighbours and where people have a commitment and a responsibility to contribute to the well-being of their communities”*

The vision for the VCS Strategy builds on this,

*“An independent and sustainable voluntary and community sector, taking a place based, collaborative approach to working with the Council and partners to meet the needs of local people”*

This vision captures the shared principles which underpin the relationship between the Council and the VCS and help achieve a Compact way of working. These principles may be summarised as:

1. *Community involvement and voluntary action are essential to the quality of life in the borough.*
2. *Respect and trust - the Council and the VCS should value and respect the differences and diversity between them, and recognise their respective*

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<sup>1</sup> Note that for brevity, the term 'voluntary and community sector (VCS)' refers to the not for profit organisations set out in the Council's VCS Strategy

*responsibilities and constraints. The relationship between the sectors should be open and respectful and demonstrate trust*

- 3. Independence - the independence of the VCS should be respected. To maximise the effectiveness of the VCS, investment in its infrastructure is essential. Organisations in each sector have the right to contribute to and, if necessary, challenge matters that affect them*
- 4. Quality services - In the development and delivery of services, the public sector and the VCS have distinct but complementary roles. Each sector should strive for excellence and equality of access*
- 5. Joint working - When working together contributions from each sector should be given equal consideration and respect*

## **Compact outcomes**

To support and guide the Compact way of working towards achieving the Compact outcomes, there are a number of undertakings required from both the VCS and the public sector.

It is intended that these undertakings will build on the success of previous Compacts and provide the bedrock for continuing to develop a strong and mutually beneficial relationship between the Council and the Voluntary and Community Sector. The undertakings, while not statutory, provide standards against which policy and practice may be judged. Over time it is anticipated that the principles and undertakings set out in the Compact will be adopted by other public sector organisations and become part of the fabric of the Local Strategic Partnership.

## **Outcome 1: A strong, diverse and independent VCS**

### **Undertakings for the public sector**

1. Respect and uphold the independence of VCS to deliver their mission, including their right to campaign, regardless of any relationship, financial or otherwise, which may exist.
2. Recognise that volunteering adds value to public services and brings about positive benefits to local people and service users. Encourage volunteering to be undertaken by a high proportion of people across diverse backgrounds.
3. Ensure greater transparency by making data and information more accessible, helping the voluntary sector to challenge existing provision of services, access new markets and hold the public agencies to account.
4. Consider a range of ways to support voluntary sector organisations, such as enabling greater access to public sector premises and resources.
5. Ensure that published timescales are adhered to as far as practicable, give adequate notice where timescales may not be met and provide reasons wherever possible.
6. Support volunteering and, in particular, ensure that where organisations are engaging volunteers requiring Disclosure and Barring Service (DBS) checks, the organisation covers the cost, not the volunteers, and that, wherever possible, appropriate safeguarding training is made available.
7. Support the VCS to identify and nurture leadership within communities by emphasising its assets and positive strengths, as a base for building a network of caring people with the interests of their communities at heart.

### **Undertakings for the VCS**

8. When campaigning or advocating, ensure that robust evidence is provided, including information about the source and range of people and communities represented.
9. Ensure independence is upheld, focusing on the cause represented, regardless of any relationship they have with the public sector, financial or otherwise.
10. Recognise that volunteering adds value to public services and brings about positive benefits to local people and service users. Encourage volunteering to be undertaken by a high proportion of people across diverse backgrounds.
11. Ensure that where organisations are engaging volunteers requiring Disclosure and Barring Service (DBS) checks, the organisation covers the charge, not the volunteers, and that, wherever possible, appropriate safeguarding training is sought.

12. Identify and nurture leadership within communities by emphasising its assets and positive strengths, as a base for building a network of caring people with the interests of their communities at heart.

## **Outcome 2: Effective and transparent design and development of policies, programmes and public services**

### **Undertakings for the public sector**

1. Recognise that the VCS makes a valuable contribution to the economic, environmental and social development of Tower Hamlets.
2. Ensure participation in jointly convened partnerships, forums and advisory groups.
3. Consider the social impact that may result from policy and programme development and, in particular, consider how these would impact local efforts to inspire and encourage social action and to empower communities.
4. Work with the voluntary sector from the earliest possible stage to design policies, programmes and services through a process of co-production. Ensure those likely to have a view are involved from the start and remove barriers that may prevent organisations contributing.
5. Give early notice of forthcoming consultations, where possible, allowing enough time for VCS organisations to involve their service users, beneficiaries, members, volunteers and trustees in preparing responses. Where it is appropriate, and enables meaningful engagement, conduct 6 week formal written consultations, with clear explanations and rationale for shorter time-frames or a more informal approach.
6. Provide feedback wherever possible to explain how respondents have influenced the design and development of policies, programmes and public services, including where respondents' views have not been acted upon.
7. Assess the implications for the sector of new policies and guidance, aiming to reduce the bureaucratic burden, particularly on small organisations.
8. Ensure communication is accessible, in particular using clear language and avoiding jargon, and is widely disseminated through appropriate networks.

### **Undertakings for the VCS**

9. Promote and respond to public sector consultations where appropriate.

10. Ensure participation in jointly convened partnerships, forums and advisory groups.
11. Seek the views of service users, clients, beneficiaries, members, volunteers and trustees as appropriate when making representation to the public sector. Be clear on who is being represented, in what capacity, and on what basis that representation is being made.
12. When putting forward ideas, focus on evidence-based solutions, with clear proposals for positive outcomes.

### **Outcome 3: Responsive and high-quality programmes and services**

#### **Undertakings for the public sector**

1. Ensure that VCS organisations have a greater role and more opportunities in delivering public services by opening up new markets and reforming the commissioning environment in existing markets.
2. Consider a wide range of ways to fund or resource VCS organisations, including grants, contracts, loan finance, the use of premises and so on. Work to remove barriers that may prevent VCS organisations accessing government funding, thereby enabling smaller organisations to become involved in delivering services where they are best placed to achieve the desired outcomes. Where appropriate, use funding strategies which maximise the opportunities for local VCS organisations to participate.
3. Ensure transparency by providing a clear rationale for all funding decisions.
4. Commit to multi-year funding where appropriate and where it adds value for money. The funding term should reflect the time it will take to deliver the outcome.
5. Ensure well managed and transparent application and tendering processes, which are proportionate to the desired objectives and outcomes of the programmes. Ensure that notification of funding decisions and that transfer of funds to successful organisations are within agreed timescales.
6. Agree with VCS organisations how outcomes will be monitored before a contract or funding agreement is made. Ensure that monitoring and reporting is relevant and proportionate to the nature and size of the opportunity.
7. Ensure equal treatment across sectors, including reporting and monitoring arrangements, when tendering for contracts.
8. Recognise that when VCS organisations apply for funding, they can include appropriate and relevant overheads, including the costs associated with training and volunteer involvement.



9. Ensure delivery terms and risks are proportionate to the nature and value of the service.
10. Ensure that the widest possible range of organisations can be involved in the provision of services through appropriate funding and financing models.
11. Ensure all bodies distributing funds on behalf of the public sector adhere to the commitments in this Compact.
12. Encourage feedback from a wide range of sources on the effectiveness of the partnership between the public sector and VCS organisations and how successful it has been in delivering their objectives.
13. Seek out opportunities to explore joint funding bids with the VCS to maximise investment into the borough.

### **Undertakings for the VCS**

14. Ensure eligibility for funding before applying and be explicit about how outcomes will be achieved.
15. Ensure robust governance arrangements so that organisations can best manage any risk associated with service delivery and financing models, including giving funders early notice of significant changes in circumstances.
16. Be open and transparent about reporting, recognising that monitoring, whether internal or external, is an aspect of good management practice.
17. Demonstrate the social, environmental or economic value of the programmes and services provided, where appropriate.
18. Help facilitate feedback from users and communities to the public sector to help improve delivery of programmes and services.
19. Recognise that the public sector can legitimately expect VCS organisations to give public recognition of its funding.
20. Ensure all VCS organisations which receive funds from the public sector adhere to the commitments in this Compact.
21. Seek out opportunities to explore joint funding bids with the public sector to maximise investment into the borough.
22. Taking responsibility for remodelling services to achieve preventative solutions to underlying social problems

## **Outcome 4: Clear arrangements for managing changes to programmes and services**

### **Undertakings for the public sector**

1. If a programme or service being delivered by a VCS organisation is encountering problems, agree with the organisation a timetable of actions to improve performance, including signposting to appropriate support, before making a decision to end a financial relationship.
2. Assess the impact on beneficiaries, service users and volunteers before deciding to reduce or end funding. Assess the need to re-allocate funds to another organisation serving the same group.
3. Where there are restrictions or changes to future resources, discuss with VCS organisations the potential implications as early as possible, give organisations the opportunity to respond, and consider the response fully, respecting sector expertise, before making a final decision.
4. Give a minimum of three months' notice in writing when changing or ending a funding relationships or other support, apart from in exceptional circumstances, and provide a clear rationale for why the decisions has been taken.

### **Undertakings for the VCS**

5. Plan for the end of funding to reduce any potential negative impact on beneficiaries and the organisation.
6. Contribute positively to reviews of programmes and funding practice.
7. Advise funders on the social, environmental or economic impact(s) of funding changes, particularly to minimise their effects on people in vulnerable situations
8. Advise funders if voluntary sector organisations are facing funding or other significant difficulties.
9. Contribute to the achievement of efficiency savings by maximising resources, cutting costs and collaborating more effectively

## **Outcome 5: An equal and fair society**

### **Undertakings for the public sector**

1. Work with voluntary sector organisations that represent, support or provide services to people specifically protected by legislation and other under-represented and disadvantaged groups. Understand the specific needs of these groups by actively seeking the views of service users and clients. Take these views into account, including assessing impact, when designing and implementing policies, programmes and services.
2. Acknowledge that organisations representing specific disadvantaged or under-represented groups can help promote social and community cohesion and should have equal access to funding.
3. Take practical action to eliminate unlawful discrimination, advance equality and to ensure a voice for under-represented and disadvantaged groups.

### **Undertakings for the VCS**


4. If receiving funding, show how the value of the funded work can help the public sector deliver its duties on promoting equality and tackling discrimination.
5. Take practical action to eliminate unlawful discrimination, advance equality of opportunity and build stronger communities.

## Appendix B

### Compact Co-production Summary

The table below maps the issues raised through the co-production process with the principles and undertakings set out in the Compact.

	Summary of issues raised during co-production sessions	Principle	Undertakings
1	Respecting independence – funding should not be a constraint	3	1.1, 1.7, 3.19, 5.1
2	Recognising interdependence	4	2.2, 3.18
3	Alignment of vision and goals	4	2.1, 2.2, 3.12, 3.13, 3.20, 5.1, 5.2, 5.4
4	Ensuring VCS voice is heard	5	1.6, 1.7, 2.2, 2.7, 2.8, 2.9, 5.1, 5.2, 5.4
5	Commitment to attending forums/advisory groups	5	2.2, 2.10
6	Promoting openness and trust	2	2.1
7	Celebrating success – better communication	1	1.10, 3.12, 3.18
8	Open communication – reduce barriers such as use of language	1	2.8
9	Promoting partnership and peer learning	5	1.10
10	Consistent expectations	4	3.5
11	Volunteering – support and key principles	1	1.2, 1.5, 1.8, 1.9
12	Access to data	2	1.3
13	Access to Council resources - premises	4	1.4
14	Consultation and co-design	4	2.1, 2.2, 2.3, 2.4, 2.5, 2.6, 3.18, 3.21, 4.6
15	Promoting funding opportunities	4	3.1, 3.14
16	Clear, consistent and proportionate monitoring	4	3.6, 3.7, 3.9, 3.16
17	Notice of changes in funding whether to existing grants or contracts or new funding opportunities	4	3.2, 4.1, 4.2, 4.3, 4.4, 4.6, 4.7
18	Consider whether bigger contracts to consortia are effective or whether they may exclude smaller more targeted services	4	3.10, 3.9
19	Consider the role of grants in encouraging creative solutions	1	3.1, 3.2
20	Allow full costs to be considered when funding, including premises	4	3.8, 4.9
21	Timeliness – responses on funding queries, payments	2	1.5, 3.5, 3.15
22	Allow sufficient time for small organisations to respond	1	2.6, 3.2
23	Awareness – ensuring Compact is known and respected	5	3.11

<p><b>Cabinet</b></p> <p>20 March 2018</p>	
<p><b>Report of:</b> Zena Cooke, Corporate Director Resources and Ann Sutcliffe, Acting Corporate Director Place</p>	<p><b>Classification:</b> Unrestricted</p>
<p><b>Premises Leased to Voluntary and Community Sector Organisations</b></p>	

<b>Lead Member</b>	<b>Mayor John Biggs</b> <b>Councillor David Edgar, Cabinet Member for Resources</b>
<b>Originating Officer(s)</b>	Emily Fieran-Reed, Service Manager, Community Cohesion, Engagement and Commissioning David Freeman, VCS Strategy Manager
<b>Wards affected</b>	All
<b>Key Decision?</b>	Yes
<b>Community Plan Theme</b>	<b>One Tower Hamlets</b>

**Executive Summary**

This report recommends revising the arrangements for leasing premises to voluntary and community sector organisations and the scheme for providing reduced rent where there is a clear community benefit agreed by the Mayor in Cabinet on 1 November 2016 to include all VCS organisations which occupy Council buildings. Amendments are proposed to the scheme for rent reduction to take account of including a broader range of VCS organisations in arrangements and transitional arrangement of stepped rent is proposed for certain organisations which do not meet the eligibility criteria for rent reduction.

Other arrangements will remain as previously agreed by the Mayor in Cabinet.

**Recommendations:**

The Mayor in Cabinet is recommended to:

1. Agree that the rent reduction scheme for voluntary and community sector organisations occupying Council premises agreed by the Mayor in Cabinet on 1 November 2016 be;
  - a) Extended to include all VCS organisations leasing premises from the Council;
  - b) Revised as set out in appendix A to allow for a proportionate rent reduction of either 20% or 40% for organisations engaged in economic activity where there is a significant level of activity which meets the scheme’s criteria for community benefit;

- c) Revised as set out in appendix A to include nationally recognised VCS quality assurance standards in the eligibility criteria; and
  - d) Revised as set out in appendix A to allow a grace period of up to 12 months for organisations seeking a rent reduction to achieve the above QA standard.
2. Agree that where a VCS organisation is not eligible for the rent reduction, the impact of the increase in rent may be mitigated through a stepped rent arrangement over the period of the lease, as set out in appendix A.
  3. Delegate to the Acting Corporate Director of Place the authority to agree the terms of, and enter into, any leases (or variations thereof) or any other agreements in order to give effect to the above recommendations.

## **1. REASONS FOR THE DECISIONS**

- 1.1 The Community Buildings Review recommendations agreed by the Mayor in Cabinet on 1 November 2016 set out arrangements for the occupation by voluntary and community sector (VCS) organisations of buildings owned by the Council in its community buildings portfolio and for a rent reduction scheme to subsidise the rent payable by organisations which demonstrate significant community benefit from their occupation of these premises.
- 1.2 At its meeting on 10 July 2017, the Grants Determination Sub Committee instructed officers to carry out an assessment of the consequences of extending to all VCS organisations occupying Council premises the arrangements agreed for organisations occupying premises in the Council's community buildings portfolio.
- 1.3 This report brings forward the results of that assessment and recommendations which will enable the arrangements agreed in November 2016 to be extended to allow a consistent approach to all VCS organisations occupying Council premises.

## **2. ALTERNATIVE OPTIONS**

- 2.1 The Council could decide to leave the arrangements to lease premises to VCS organisations as agreed in November 2016 without amendment. This would not be in keeping with the aims of the Council's Voluntary and Community Sector Strategy and the Council's wider commitment to transparency and fairness.

### **3. DETAILS OF REPORT**

#### **Background**

- 3.1 In November 2016, after a review of its community buildings and consultation with the voluntary sector, the Mayor in Cabinet agreed arrangements to ensure all VCS organisations which occupy its buildings have a lease or hiring agreement and are charged an appropriate rent (with some specific exceptions). Alongside this, Cabinet agreed a scheme to reduce the rent payable for organisations which meet specific criteria relating to the community benefit of their activities and their organisational governance and management.
- 3.2 These new arrangements only affected organisations in buildings in the Council's community premises portfolio. In July 2017, the Grants Determination Sub Committee asked officers to carry out additional work to establish what the implications of the extending scope of the new arrangements to all premises leased to VCS organisations might be, particularly in relation to the rent reduction policy. It was agreed that, after consultation with VCS organisations, proposals for revising the policy to take account of the wider scope should be brought back to Cabinet for consideration.
- 3.3 This report is concerned with revisions to the agreed arrangements for the rent reduction scheme and transitional arrangements for organisations which are not eligible for rent reduction as set out below. The other arrangements agreed in November 2016 remain including the key terms for leases and the requirement that the occupation of Council premises by VCS organisations must be on the basis of a formal lease. While this report recommends some revisions to the rent reduction scheme the key provisions remain, including the exclusion of leases other than 3 – 5 year leases on standard terms, ground rent, day care facilities and premises used by faith groups for worship and services for their congregations. A summary of the arrangements previously agreed is included in the statement of policy and practice attached at Appendix D.
- 3.4 The arrangements agreed in November 2016 as they apply to users of buildings in the community portfolio are being progressed as far as possible. The rent reduction scheme currently has some pilot applications being assessed which will be reviewed prior to full implementation.

#### **Proposals**

- 3.5 Discussions were held with VCS organisations both individually and through the Premises Forum convened by TH Council for Voluntary Service (THCVS). Additionally, a desk top exercise was conducted to assess how the agreed arrangements for occupiers of the Council's community portfolio might be applied to VCS organisations occupying premises in the commercial portfolio.

- 3.6 This assessment identified four key areas where the agreed arrangements would need to be revised to take account of the extended scope of their application. These are:
- a. Whether there should be a proportionate rent reduction where there is a mix of economic (i.e. commercial) and community benefit activity;
  - b. Whether the rent reduction scheme should include quality assurance (QA) standards other than the preVisible assessment included in the agreed scheme;
  - c. Whether organisations seeking rent reduction should be allowed a period of time to achieve a relevant QA standard, and
  - d. What transitional arrangements the Council might introduce for organisations facing significant rent increases but which are excluded from the rent reduction scheme.

3.7 Proposals were drafted to address these four concerns. They are set out in full in the Appendix A but may be summarised as:

- a. Partial rent reduction.

The rent reduction scheme allows a reduction of 80% on the level of rent payable. Organisations which engage in economic activity are currently excluded from the rent reduction scheme. The Council's proposal was for a partial rent reduction for organisations which are not solely engaged in economic activity to take account of the activities which meet 'community benefit' criteria. It is now proposed that an organisation which leases a building where there is a mix of economic and community activity may apply for a 20% or 40% rent reduction depending on the level of community benefit.

- b. Quality assurance standards.

Currently all organisations seeking rent reduction are required to achieve an acceptable level in the preVisible assessment. It is now proposed that a wider range of quality assurance standards will be accepted in circumstances where the premises are not hired out to other organisations or the general public. Where a building is hired out, the preVisible standard would still be used as this is the 'industry standard' for community centres.

- c. Achieving quality assurance.

Currently organisations are required to achieve the quality assurance standard before being awarded a rent reduction. Achieving a quality mark may take up to a year. It is now proposed to allow a grace period of up to 12 months to achieve a quality mark where it is considered an organisation will achieve the required standard within that period.



d. Transitional arrangements.

Some organisations are excluded from the rent reduction scheme. It is proposed that these organisations are offered stepped rents which will reduce the initial impact of rent rises by increasing the rent over the lease period in steps from a low base in year one to the market rent by the end of the lease.

### Impact of the proposals

- 3.8 The proposals are principally directed towards addressing issues arising from extending the rent reduction scheme to VCS organisations occupying buildings outside the Council's community portfolio (including, for example, commercial premises). There are currently 41 VCS organisations occupying premises or land outside the community portfolio. Of these, many have long leases, ground leases and other provisions which would exclude them from the rent reduction scheme. These are summarised in the table below. There are also leases on buildings which are service centres such as day centres which are linked to service delivery contracts with the Council.

Status	No of premises
Long lease	14
Ground lease	1
Land leased at peppercorn rent	5
Service centres	6
Playgroups	3
Faith	2
Others	10
<b>Total</b>	<b>41</b>

- 3.9 The organisations where the proposals are likely to have an impact are those which have a mix of economic and community benefit activity which could potentially meet the rent reduction criteria but were excluded because they occupy buildings outside the community portfolio. In the case of stepped rents, the impact of the revised proposals will be on organisations which meet the required standards for rent reduction but are ineligible.
- 3.10 Overall it is anticipated that the proposals, if agreed, will give the opportunity to the ten organisations in the 'other' category to apply for rent reduction. At this stage it is not possible to accurately quantify the likely cost. None have applied to the scheme and been evaluated as they are currently ineligible and, for some, the appropriate rent for the buildings is still being assessed.
- 3.11 If all successfully applied for rent reduction, it is estimated the opportunity cost to the Council from lost income could be £95,000. However, it is likely that not all would qualify for rent reduction and, of those which qualify, some would

be awarded 20% reduction rather than the higher rates. If all were eligible for a 20% reduction the cost to the Council would be £31,000.

- 3.12 While this is clearly a cost to the Council, it would be consistent with the income foregone from rent reduction for VCS organisations which occupy buildings in the Council's community portfolio.

### **Engagement with the Voluntary and Community Sector**

- 3.13 The Council's proposals were widely distributed to the VCS through:
- Individual contact with all 106 organisations identified as leasing premises from the Council, including those in the community portfolio;
  - An open VCS Premises Forum meeting on 15th November attended by 30 VCS organisations;
  - Email bulletins from THCVS to its 900 contacts in the VCS;
  - A meeting with the Early Years Network on 5th December, and
  - An on line survey.
- 3.14 The papers sent to organisations were a discussion document setting out the proposals attached at Appendix A, an extract from the Cabinet report of 1st November 2016 setting out the rent reduction scheme and appendices to that report setting out the criteria and process for rent reduction.
- 3.15 The consultation period was from 27th October to 8th December.

#### On line survey feedback

- 3.16 22 responses to the survey were received. These are summarised at Appendix B with commentary where appropriate.
- 3.17 Overall the proposals put forward were welcomed by the majority of respondents. Only two of the respondents disagreed with the proposals.
- 3.18 The key points raised were:
- The expansion of the range of acceptable quality assurance standards was welcomed and some suggestions made of additional QA standards which the Council might consider;
  - Organisations should receive capacity building support to enable them to meet appropriate QA standards;
  - The Council should consider a longer grace period for organisations to achieve a recognised QA standard;
  - Organisations whose contracts were awarded prior to the policy being adopted should not be penalised; and

- Stepped rent is not a long term solution to sustainability.

TH Council for Voluntary Service (THCVS) Premises Group feedback

- 3.19 The meeting of the VCS Premises Group convened by THCVS on 15 November was attended by 17 organisations. THCVS also presented issues raised by organisations which could not attend.
- 3.20 The discussion paper was generally welcomed and the suggestions put forward were supported. The main issues raised were:

Issue	Response
Rental discount should be based on added value to the community.	The rent reduction scheme is the mechanism where the Council takes account of the added value to the community of a tenant's activities.
Some organisations may decide to close because they cannot afford any increase in rent.	If an organisation decides to close the Council will provide support to help ensure an orderly wind down of activities if no alternative solution can be found.
What is to prevent the Council from continuing to increase rents at the end of each lease term?	The Council will charge the market rent applicable at the time a lease is renewed. For community buildings this will be the community rate calculated to take account of the planning restrictions on the use of the building.
Organisations may not know whether they should opt for a stepped rent or rent reduction.	Even if an organisation only qualifies for a partial rent reduction it is likely the rent reduction will be the better option. The stepped rent arrangement includes an element of subsidy over the whole five year lease term but it is a one off arrangement to take a leaseholder from a subsidised (or zero) rent to a market rate. Once the steps reach the market rate any subsequent increases will be in line with the market and stepping would no longer be appropriate or necessary.
Some organisations may need additional space because of mobility issues for their staff and service users. The Council should take account of this when assessing a fair rent for the premises.	This is principally a commissioning issue. If the Council commissions a service where it is necessary or desirable for the contracted organisation to have space to take account of mobility or any other issues which are important in the delivery of the service, it should take

	account of this in the commissioning specification. As with any other element of the rent reduction policy, the Council must be minded of its duty under public law and potential challenge from other potential providers if the Council provides an unfair competitive advantage to organisations that occupy its buildings
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- 3.21 The notes of the THCVS Premises Group meeting are available at <https://www.thcvs.org.uk/voice/premises-forum>.

### **Conclusions**

- 3.22 The consultation process with the VCS showed the majority of respondents endorsed the Council's proposals. Most of the comments made by respondents have been responded to positively, including providing support for organisations seeking QA standards and large national bodies having a disproportionate advantage. No alternative or additional proposals were made to address the key issues identified.
- 3.23 The recommendations put forward are as proposed in the consultation documents with only one significant change. A number of respondents suggested QA standards not included in the list suggested by the Council. This is reflected in the recommendations which propose including nationally recognised VCS QA standards in the rent reduction criteria.

### **4. COMMENTS OF THE CHIEF FINANCE OFFICER**

- 4.1 Financial implications of the proposals presented within this paper are detailed within paragraph's 3.11 and 3.12 above. It is likely that the wider strategic and community benefits of the approach recommended within this report outweigh the potential income that will be lost, however, this should also be viewed in the context of the Council's MTFs and budget pressures.

### **5. LEGAL COMMENTS**

- 5.1 The report seeks to implement a revision to the Community Benefit Rent Reduction Policy, which was agreed by the Mayor in Cabinet in November 2016. Specifically, the report seeks to:
- i. widen the scope of Council-owned buildings to which the current policy applies, beyond those within the community building portfolio;
  - ii. relax the rent reduction eligibility to include those engaged in economic activity, but in doing so apply a level of subsidy which is commensurate with the level of community benefit activity;

- iii. revise the eligibility criteria to cover a broad range of quality assurance standards and allow a period of up to 12 months for organisations to achieve a standard; and
  - iv. introduce a stepped-rent arrangement to mitigate the impact of a rise in rent for organisations which are ineligible for the rent reduction.
- 5.2 The Council's powers in relation to disposal of property (which includes the granting of leases) are set out in legislation. Having regard to the extended scope of the policy, section 123 of the Local Government Act 1972 (the "1972 Act") and section 32 of the Housing Act 1985 ("the 1985 Act") are most relevant.
- 5.3 The 1972 Act provides that the Council may dispose of land for a consideration not less than the best that can reasonably be obtained, failing which the consent of the Secretary of State is required. However, section 123(7) confirms that this requirement does not apply to short tenancies (i.e. those with a term of up to 7 years). Given that the rent reduction policy applies only to leases which have terms of between 3 and 5 years, the requirement for best consideration does not therefore apply in respect to buildings held in the General Fund and the Council can therefore lawfully grant the leases on the terms set out in the report.
- 5.4 The 1985 Act provides that the Council may not dispose of land (which includes a lease of any term) without the consent of the Secretary of State. The Secretary of State has issued the General Housing Consents 2013 which permits the disposal of "vacant land", being land on which there are no dwellings, for a price determined by the Council. Given the nature of the premises, which are not dwellings held for housing purposes, the Council can lawfully grant the leases on the terms set out in the report without further Secretary of State approval.
- 5.5 The Community Benefits Rent Reduction Policy, as revised by this report, is tantamount to a grant regime. The Council has various powers to offer financial assistance in this way, including pursuant to the general power of competence under section 1(1) of the Localism Act 2011 which permits it to do "anything that individuals generally may do".
- 5.6 In giving community organisations subsidies, the Council needs to be mindful of the State Aid rules, which aim to prevent the distortion or threat of distortion of competition in the market. The rules, however, do not apply to de minimis aid (€200,000 per recipient over a three fiscal year period) and the arrangements set out in the report in terms of the subsidy to CVS organisations and the stepped-rent for ineligible organisations are unlikely therefore by themselves to be caught in these circumstances because of the values involved. In assessing organisations' eligibility for rent reduction however, and being mindful of the de minimis threshold, the Council must consider the totality of all funding received by an organisation from state resources and this must form part of the assessment process. The totality of state funding (including the rent reduction) must not exceed the de minimis threshold over the stated period.

- 5.7 Notwithstanding that the de minimis threshold will not be allowed to be exceeded, the Council in dispensing public funds should be concerned to be acting fairly and reasonably and not favouring organisations who are engaged in economic activity and who occupy Council-owned buildings over those who do not because of the potential distortion of competition. For these purposes, those engaged in economic activity are those involved in putting goods or services on the market. The revised policy addresses this by allowing those organisations engaged in economic activity to apply for a rent reduction, but only takes into account the level of community benefit activity the organisation engages in. By applying the revised eligibility criteria equally to applicants, the Council can be considered to be acting fair and reasonable in this regard. Notwithstanding, the Council must ensure that it is not over-compensating the organisation (i.e. that the level of rent reduction given does not exceed their proportionate expenses which would be tantamount to a profit) and the organisations costs and expenses must therefore form part of the assessment process.
- 5.8 The revised policy follows a period of additional consultation carried out with those whom are affected by it. A consultation exercise should comply with the following:
- i. It should be carried out when proposals are at a formative stage;
  - ii. It should give sufficient reasons for the proposal to permit intelligent consideration and response;
  - iii. It should allow adequate time for consideration and response; and
  - iv. The product of the exercise must be conscientiously taken into account.

The consultation exercise, as described in the report, complies with the above criteria.

- 5.9 As explained at paragraph 6, a full equalities assessment was undertaken and given due regard in preparation of the existing rent reduction policy which was approved by the Mayor in Cabinet in November 2016. It is relevant that the revised proposal relaxes eligibility and thereby affords more organisations (who are likely to represent those with protected characteristics) the opportunity to benefit from the rent reduction. The Public Sector Equality Duty is satisfied.

## **6. ONE TOWER HAMLETS CONSIDERATIONS**

- 6.1 The report to Cabinet in November 2016 included a full equalities assessment. The recommendations of this report do not significantly change that assessment.

## **7. BEST VALUE (BV) IMPLICATIONS**

- 7.1 The recommendations in this report are closely aligned with the council's Best Value Action Plan, which was drawn up following the issuing of Direction from

the Secretary of State for Communities & Local Government in December 2014.

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

8.1 There are no immediate and significant sustainability implications arising from this report.

## **9. RISK MANAGEMENT IMPLICATIONS**

9.1 Having a clear, consistent and transparent policy on charging and allocation of community spaces and buildings will minimise the risk of challenge on decisions the Council takes in relation to allocating and charging for buildings leased to VCS organisations.

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

10.1 There are no specific crime and disorder implications arising from this report

## **11. SAFEGUARDING IMPLICATIONS**

11.1 There are no immediate safeguarding implications arising from this report. Community groups who work with young children or vulnerable adults will be expected to comply with all relevant legislative requirements, as well as any specific conditions arising from any award from the Council.

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## **Linked Reports, Appendices and Background Documents**

### **Linked Report**

Cabinet 1 November 2016 'Community Buildings Review - Recommendation Report'

### **Appendices**

- Appendix A - Proposed Revisions to Arrangements for Leasing Premises to VCS Organisations
- Appendix B - Summary of Consultation
- Appendix C - Voluntary and Community Sector Organisations (as defined by the Council's VCS Strategy 2016 – 19)
- Appendix D – Statement of Policy and Procedures

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

- NONE.

### **Officer contact details for documents:**

N/A

## Appendix A

### Proposed Revisions to Arrangements for Leasing Premises to VCS Organisations

#### 1. Proportionate Rent Reduction

The rent reduction policy currently excludes organisations that are considered to be engaged in economic (i.e. commercial) activity on the basis that, notwithstanding that the State Aid rules would not apply given the de minimis level of subsidy, it may be considered unreasonable or unfair for the Council to subsidise such organisations simply because they occupy Council-owned buildings, the effect of which may be to potentially distort competition in a particular market.

The proposals agreed in November 2016 acknowledged there had been some discussion as to whether the rent reduction could be applied proportionately where there was some community use ancillary to the economic activity. However, because of the complexity of such arrangements and the difficulty in administering them, the Council decided not to adopt that approach.

The extension of the scope of community use and potential eligibility for rent reduction has highlighted this issue again. There are a number of premises now brought within the scope of the rent reduction scheme where there appears to be a mix of economic and community activity. While there remains a strong argument against introducing a complex mechanism for applying a proportionate approach, the Council is now considering whether there is scope for a simple proportional assessment.

A simple assessment could be based on an agreed standard proportion of community use, calculated either in time or in space used. The qualifying eligibility threshold could be applied either by floor area or by time actually used, solely applied to activity which has community benefit.

Two thresholds are suggested. The first is where a building is mainly used for activities considered to be 'economic' but which may also be used for a limited amount of community benefit activity, in the evenings and at weekends for instance. The second is where there may be a mix of use at the same time and a significant proportion of space is used for community benefit activity.

The proportion may be calculated by the organisation seeking rent reduction either by:

1. Activity space which is devoted to community benefit activities (activity space excludes common areas and staff kitchen facilities but will include kitchens which are ancillary to activity rooms), or
2. Available opening time devoted to community benefit activities (time where both take place will be considered economic activity).



In the current scheme, the standard rent reduction where a building is exclusively used for community benefit activity is 80%. The suggested rent reductions for mixed use are;

1. 40% rent reduction where the use for community benefit activity is 50% – 99%, and
2. 20% rent reduction where the use for community benefit activity is 25% – 49%.

So if the market rent for a building was £10,000, the lessee would pay:

£2,000 if the building is used solely for community benefit activity;  
£6,000 if the building is used over 50% for community benefit activity and  
£8,000 if the building is used over 25% for community benefit activity.

To qualify for a proportionate rent reduction, organisations which undertake some economic activity must be able to meet the criteria set out in the rent reduction scheme for their community benefit activity.

1. The lessee can meet organisational standards criteria set out in rent reduction scheme
2. Non-economic activities meet the community benefit requirements set out in the rent reduction scheme
3. Either a proportion of activity space is devoted to community benefit activities (activity space excludes common areas and staff kitchen facilities but will include kitchens which are ancillary to activity rooms), or
4. A proportion of available opening time is devoted to community benefit activities (time where both take place will be considered economic activity)

Annual monitoring of community benefit will include confirmation that the proportion remains as initially agreed or more.

## **2. Rent Reduction Criteria - Quality Assurance Standards**

The rent reduction policy requires organisations to go through an independent assessment process to ensure they are compliant with legislative requirements, have good quality and appropriate policies and procedures in place and have the capacity to manage premises effectively. The policy identified “preVisible” as the most appropriate assessment process with, in addition, “Your Value!” for larger organisations.

PreVisible is a tool designed for organisations which manage premises used by others and/or the general public. For many organisations based in premises in the community portfolio, this is the most appropriate assessment tool to match their activities but for the wider portfolio this is not necessarily the case. Other nationally recognised assessment processes may be more appropriate for these organisations and many national charities require their local branches to meet their own quality assurance standards.

The Council will still require a preVisible assessment for organisations which are managing community centres or other premises where the primary function is to hire out facilities to other organisations or the public. However, for other organisations the Council will accept PQASSO, EFQM Excellence Model, ISO 9000/1 and the Matrix Standard. Where an organisation is an autonomous branch of a national body, the Council may accept the national body's accreditation standard. This may be considered on a case by case basis.

### **3. Rent Reduction Process – Achieving Quality Assurance**

Quality assurance assessment processes are often lengthy and for larger organisations may be complex. After an organisation's expression of interest has been accepted, to take the application for rent reduction further, the organisation is required to demonstrate it meets quality standards. The Council has made provision for support for organisations to achieve a quality mark through THCVS and other organisations.

Part of this process is an independent assessment. Where an organisation does not meet the required standard in this assessment, the rent reduction scheme does not currently make provision to take account of potential improvement.

The Council is now proposing that, where an organisation fails to meet the required standard but provides an action plan endorsed by the independent assessor, the rent reduction may be agreed conditional on:

1. The independent assessor agreeing that the proposed action plan is achievable within an agreed timescale, normally six months and not exceeding twelve months of the Council's acceptance of an organisation's expression of interest;
2. There being no other considerations which might give the Council concern that the organisation may not be able to reach an acceptable standard within the agreed timescale; and
3. The organisation undertaking to complete the lease with the Council at a market rent with effect from the date of the Council's decision to award rent reduction.

If an organisation is awarded rent reduction but fails to achieve the necessary quality standards within the agreed timescale, the organisation will be offered the option to surrender the lease without penalty (subject to discharging any accrued liability) or to revert to the full market rent.

### **4. Stepped Rent Lease Agreements**

A stepped rent arrangement is a mechanism to give a transitional period for a rent increase to take effect. In essence, the level of rent rises over the period of the lease at times and at levels agreed at the beginning of the lease. The steps reflect the low

start based on the full market rent and increase to the market rent in the final year of the lease.

In a commercial setting the principle is that the equivalent to full rent payments are made over the course of the term but stepped to make it less of a financial burden in the early years when a business may be starting up. Where the lessee is a VCS organisation the value of the community benefit it provides will be acknowledged by the Council through an element of subsidy incorporated into the stepped rent arrangement.

The arrangement the Council is proposing is an annual increase over the period of the lease. The starting point would be the current rent plus 30% of the increase in year one with incremental 20% rises so that the final year would reflect 100% of the increase, as illustrated below. The effect of providing this transition would be to give a rent subsidy over the period of the lease of up to 32%.

Where the rent has previously been a peppercorn or there has been no formal lease, the increase will actually be the new rent. For the purposes of the illustration below it is assumed a lease is already in place with a rent of £1,000 per annum. The new rent at renewal is £8,000, an increase of £7,000

Year	Rent payable	% of rent increase	Initial rent	Incremental increase	Saving on market rent
Year 1	£3,100	30%	£1,000	£2,100	£4,900
Year 2	£4,500	50%	£1,000	£3,500	£3,500
Year 3	£5,900	70%	£1,000	£4,900	£2,100
Year 4	£7,300	90%	£1,000	£6,300	£700
Year 5	£8,000	100%	£1,000	£7,000	0
Total					£11,200

This example is for illustrative purposes to demonstrate the principle and could vary according to the circumstances and lengths of individual leases.

The stepped rent arrangement is intended to help support organisations in the transition from a subsidised or zero rent to a market rent. However, organisations are expected to be able to demonstrate some level of self-sufficiency. While these proposals set out proportionate payments, the Council is considering whether it would be appropriate for a de minimis rental level of £2,000 which organisations would be expected to pay even if the calculation of their initial step rent was lower.

### Criteria

Stepped Rent will only be considered where an organisation is excluded from the Council's rent reduction scheme. It will not be considered where an organisation is eligible for the rent reduction scheme but fails to meet the organisational and community benefit criteria.

Each case will be considered on its merits but the organisation must meet the same organisational and governance requirements as required for the rent reduction scheme and the premises not used for commercial purposes.

### **Application Process**

The application process will follow the same format as for the rent reduction scheme with the opportunity to submit an expression of interest being offered with the offer of a lease. The initial and, where appropriate, detailed assessment will offer the opportunity of appeal to the rent reduction appeal panel for a final decision.

### **Reporting**

Where the Council agrees a stepped rent, the decision will be reported alongside the reporting of rent reductions to the Grants Determination Cabinet Sub-Committee for information.

## Summary of Consultation

### Survey Results

Four open questions were asked in the survey. Each one related to one of the proposals put forward by the Council to revise the rent reduction scheme and other lease arrangements.

There were 22 respondents representing 19 different organisations and one individual. One response was anonymous. 20 responses were from Tower Hamlets based organisations or residents. 15 responses were from organisations currently occupying Council owned premises.

All of the survey responses were completed after the TH Council for Voluntary Service Premises Group meeting on 15 November 2017 and many were completed by representatives of organisations which attended that meeting. It is therefore reasonable to assume many of the responses to the survey were informed by the discussion at the THCVS meeting.

The four proposals and questions together with a summary of the survey responses are set out below. Where organisations have raised concerns or questions, the Council's response is also included.

**Proposal 1** Proportionate rent reduction where there is a mix of economic and community benefit activity;

*What do you think of the suggestion there should be some opportunity for organisations which have contracts with public bodies to have a partial rent reduction if they also have separate activities which satisfy the community benefit criteria?*

Response	Number of responses	Council commentary
Agree	13	
Disagree	1	
Full reduction to all VCS organisations	4	The Council has already agreed the maximum reduction will be 80% following consultation with the sector in 2016.
Concern about compatibility of general community use with main services, particularly where there is specialist equipment and facilities.	1	It is acknowledged that general community use may not be compatible with some other uses. The assessment can therefore be based on either time or space devoted to community use.
Concern that large national charities might benefit	1	Large national charities are mainly funded through contracts rather than

disproportionately		grants. They would therefore be excluded from the rent reduction scheme unless they could demonstrate significant local community benefit from non-contract activity.
Need more information	1	The Council has made the consultation documents and background information available through direct mailing and via THCVS website. In addition there have been sessions organised by both the council and THCVS for interested parties to discuss the issues.
Consider applying retrospectively	1	The purpose of the proposed changes to the current policy is to ensure organisations are dealt with equitably. If organisations believe they have been disadvantaged, the Council may consider individual cases on their merits.

**Proposal 2** Rent reduction criteria – a wider range of acceptable quality assurance standards;

*What do you think of the suggestion that the Council should accept quality standards other than preVisible where an organisation is not managing a building hired out to other organisations or the public? Are there other quality standards in addition to those we are suggesting may be acceptable?*

Response	Number of responses	Council commentary
Agree	9	
Disagree	1	No reason given so cannot comment
Additional standards suggested	7	The Council will include its preferred list in the rent reduction scheme but will also accept equivalent QA standards if they are nationally recognised.
Cannot comment	2	Unclear why these respondents could not comment
Unclear	2	Statements which appear to be endorsing the principle of QA being used as a criterion for rent reduction but not specifically agreeing or disagreeing with the Council's proposal.
No response	1	

**Proposal 3** Rent reduction process – grace period to achieve quality assurance standard;

*What do you think of the suggestion that organisations should be granted a rent reduction conditional on achieving a quality assurance standard within an agreed period not exceeding 12 months?*

<b>Response</b>	<b>Number of responses</b>	<b>Council commentary</b>
Agree	11	
Agree if support offered	3	Agreement has already been reached with THCVS to provide support where appropriate
Agree but longer grace period to achieve QA	2	12 months should be an adequate period for organisations to achieve QA. In exceptional circumstances the council could consider extending the grace period but any extension would undermine the purpose of seeking QA.
Disagree – should just be working towards QA	1	Simply working towards QA gives no indication of the capacity of an organisation to manage premises and provide a good quality service.
Disagree – not feasible	1	This comment related to an organisation which has a statutory requirement to meet service quality standards. The proposal is that the Council would not be seeking additional QA over and above a nationally recognised standard.
Need to consider balance of cost of achieving QA and potential rent reduction	1	Most QA assessments are modestly priced and it is unlikely the cost would exceed the potential rent reduction over a period of years even at the lowest level.
Unclear	2	
No response	1	

**Proposal 4** Stepped rent increases for organisations not eligible for rent reduction

*Do you think the Council should offer a subsidised stepped rent to organisations which are not eligible for rent reduction as set out in the discussion paper? Is there a better way to help organisations in the transition to paying a full market rent for their premises?*

Response	Number of responses	Council commentary
Agree	11	
May be misused	1	Not known why this respondent though this proposal open to abuse
New organisations only	1	The Council agreed in 2016 that existing occupiers should be offered transitional arrangements of which this is one.
Longer term implications on levels of reserves and sustainability	2	Some organisations may choose to use their reserves for rent payments but the purpose of stepped rents is to allow time for organisations to change their business model over a period of years to give them greater sustainability.
Concern about affordability of market rent	2	The Council has agreed the general principle that it should charge a market rent and that the impact of this should be mitigated where appropriate. However, some organisations may face difficult decisions about the use of premises and what is appropriate for them in the future.
Concern about how market rent is determined	1	Organisations should take the opportunity in the lease negotiations to question how the level of rent is assessed and challenge whether it is a true market rent.
Unclear	1	
No response	2	

### TH Council for Voluntary Service (THCVS) Premises Group

The meeting of the VCS Premises Group convened by THCVS on 15 November was attended by 17 organisations. THCVS also presented issues raised by organisations which could not attend.

The discussion paper was generally welcomed and the suggestions put forward were supported. The main issues raised were:

Issue	Response
Rental discount should be based on added value to the community.	The rent reduction scheme is the mechanism where the Council takes account of the added value to the community of a tenant's activities.
Some organisations may	If an organisation decides to close the Council will



decide to close because they cannot afford any increase in rent.	provide support to help ensure an orderly wind down of activities if no alternative solution can be found.
What is to prevent the Council from continuing to increase rents at the end of each lease term?	The Council will charge the market rent applicable at the time a lease is renewed. For community buildings this will be the community rate calculated to take account of the planning restrictions on the use of the building.
Organisations may not know whether they should opt for a stepped rent or rent reduction.	Even if an organisation only qualifies for a partial rent reduction it is likely the rent reduction will be the better option. The stepped rent arrangement includes an element of subsidy over the whole five year lease term but it is a one off arrangement to take a leaseholder from a subsidised (or zero) rent to a market rate. Once the steps reach the market rate any subsequent increases will be in line with the market and stepping would no longer be appropriate or necessary.
Some organisations may need additional space because of mobility issues for their staff and service users. The Council should take account of this when assessing a fair rent for the premises.	This is principally a commissioning issue. If the Council commissions a service where it is necessary or desirable for the contracted organisation to have space to take account of mobility or any other issues which are important in the delivery of the service, it should take account of this in the commissioning specification. As with any other element of the rent reduction policy, the Council must be minded of its duty under public law and potential challenge from other potential providers if the Council provides an unfair competitive advantage to organisations that occupy its buildings.

**Voluntary and Community Sector Organisations**  
(as defined by the Council's VCS Strategy 2016 – 19)

- Registered charities
- Community groups
- Community associations
- Tenants and residents groups
- Green Spaces Friends Groups
- Co-operatives and social enterprises
- School/parent groups
- Faith organisations
- Sports, environmental, arts and heritage organisations
- Grant making trusts
- Housing associations
- Non-constituted groups of residents working together to make a difference in their local communities

## Tower Hamlets Council

### Council Buildings Leased to Voluntary and Community Sector (VCS) Organisations

## Statement of Policy and Procedures

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## **Section 1 Introduction**

The Council's VCS Strategy includes a commitment to supporting the sector through taking a strategic approach to providing premises. Central to this is the provision of quality accommodation for local activities in a network of Community Hubs. This strategic approach also commits the Council to making best use of resources through a fair and equitable approach towards organisations using all or part of a Council owned building.

The Council initiated a full review of its portfolio of community buildings (ie buildings restricted to D1 use for planning purposes, limiting their commercial value) in December 2015 which reported in November 2016. The full Cabinet Reports can be found at,

<http://democracy.towerhamlets.gov.uk/documents/s93867/5.6%20-%20Community%20Buildings%20Cabinet%20Report.pdf>, and

<http://democracy.towerhamlets.gov.uk/documents/s79780/5.2a%20Ccommunity%20Buildings%20Management.pdf>.

In July 2017 the Council agreed to initiate further work to bring all buildings owned by the Council within the scope of the arrangements agreed previously for community buildings. This report can be found at,

<http://democracy.towerhamlets.gov.uk/ieListDocuments.aspx?CId=812&MId=7525&>.

Revised arrangements arising from this work have been proposed to include all premises within the scope of the arrangements previously agreed.

This document brings together the core principles and arrangements agreed by the Council for the use of all Council owned buildings by VCS organisations in one policy and set of procedures.

## **Section 2 Objectives**

The Council needs a clear business rationale to support a fair policy for the leasing of buildings in its ownership, in order to:

1. Meet the current legal requirement to secure both best value and best consideration
2. To make the basis of any subsidies are clear and transparent.
3. To ensure that community buildings in the Council's ownership are fit for purpose, particularly as regards health and safety and preventative maintenance
4. Recover the costs of maintenance and repair of buildings, or makes clear where responsibility for these lie with the tenant.

5. Demonstrate a fair, consistent and justifiable approach to the letting of community buildings
6. Maximise the utilisation of community buildings conducive to optimum local benefit, encouraging shared use of buildings where possible
7. Formalise tenancy agreements based on standardised contractual models
8. Reduce, where possible, the amount of Council management time spent on running community assets.

### **Section 3 Principal Lease Terms**

The Council will normally offer a short term lease on the basis of the standard principal lease terms set out below. Where an organisation does not require or may not have exclusive use of a building full time, the Council may issue a licence to occupy which has limited security but may be sufficient for the organisation's needs and allow other occupation to make better use of the resource.

#### **1. Length of lease**

Where applicable, the building would be let on a standard form of lease for a period to be agreed. In most cases this would be for 3 to 5 years. By defining a term this may give occupiers sufficient security to invest in the property in such things as furnishings or internal decoration.

For some, particularly medium or larger organisations, there is the opportunity to seek grant funding from organisations outside the Council e.g. Big Lottery Fund etc. In these circumstances funders may insist that leases are in place for longer periods, sometimes up to 25 years; these could be accommodated in appropriate cases. In all leases with a term in excess of 5 years there would be a landlord's break option, on notice, in the event that the property was required for redevelopment or as otherwise appropriate. The law provides adequate remedies if the tenant breaches any of the other terms but these could be specified in the lease.

Where organisations are in receipt of funding (either through grants or service contracts) solely from the Council, leases will not run beyond the period for which the grant funding or the service contract is expected to terminate.

#### **2. Rent**

Rent will be based on open market value based on permitted use. Rent for D1 use (non-commercial use) will be referred to as 'community rent'.

In very limited circumstances, the Council may enter into a lease based on a peppercorn rent (e.g. £1 per year). However, these will be limited to Tenants and Residents Associations (TRAs) as recognised by Tower Hamlets Homes

Limited (the Council's housing arms-length management company) for the purposes of discharging their statutory functions. The community building must form part of the Housing Revenue Account, be well used and in good condition.

### 3. Landlord and Tenant Act 1954

All leases will be excluded from the security of tenure provisions of the Landlord and Tenant Act 1954 (this will also reduce the open market rental value for the property). For some larger organisations paying full market rental, this may be waived by negotiation.

### 4. Outgoings

The tenant will be responsible for all outgoing in the way of charges for services (gas, electricity, water, rates etc.) and will be responsible for statutory testing, internal redecoration and security.

### 5. External repairs

The Council will repair and recover cost through a service charge. In order to keep the cost of the service charge minimal, once initial repairs have been undertaken, the Council will only be responsible for maintaining the building to the extent that it is wind and watertight plus periodic redecoration to preserve the fabric of the building. Repairs beyond this will be at the Council's discretion following consultation with the tenant.

### 6. Insurance

The Council will insure the building only and recover the cost from the tenant. The tenant will be responsible for contents and all other insurance.

### 7. Sub Letting

Tenants will be encouraged to allow other bona fide groups to use the accommodation. This could form part of the assessment of community benefit. The lease will regulate this type of sub-user by requiring them to enter into a prescribed form of licence with the tenant, setting out the obligations of the licensee. Council officers will assist with a suitable standard form of licence.

The Council may also take steps to ensure that support is in place to help groups to publicise the availability of space within a building. This may include assistance with website design and links from the Council website, or advice and one off grant support to help with advertisements, posters and other publicity via the Third Sector Team.

## 8. Governance

The tenant organisation will be properly constituted with named persons responsible for overseeing the tenant's obligations.

## 9. Break clauses

In certain circumstances, where there is a possibility of the property being required for redevelopment or other purposes there may be a clause inserted giving the landlord the option of breaking the lease before the end date. There will also be a tenant's break clause as standard. This will allow tenants to respond to changes in the organisation's financial circumstances and allow an organisation to return the building to the Council without premium if it loses Council funding.

## **Section 4 Dissemination of best practice**

Groups who are acknowledged as "good" operators i.e. already running their community holding successfully to the benefit of everyone, should be invited and encouraged to help and mentor other groups wishing to move forward and / or where possible or necessary be asked to take over the running of additional buildings in their area.

## **Section 5 Transitional arrangements**

The transition from paying a limited contribution for their building to paying a community rent will not be straightforward for many organisations and it may be necessary for a phased introduction of the charges. The Council may therefore offer a graduated or 'stepped' increase in rent over the period of the new lease. Details of how this will operate are set out in Appendix A. This will be considered in consultation with the relevant service who will also be able to offer business planning advice and mentoring to minimise the impact of the introduction of charges. This will be supplemented by support from THVCS that will be funded by the Council as part of the THCVS infrastructure support contract.

## **Section 6 Community Benefit Rent Reduction**

The Council recognises that the activities of many organisations which occupy its premises provide valuable community benefits. In recognition of this, the Council will offer a rent reduction of up to 80% of the rent payable to organisations which meet specific eligibility criteria and can demonstrate their activities provide community benefit.

The rent reduction scheme was set up in consultation with the VCS to provide a transparent and consistent method of assessing the community benefit. It is open to all organisations which hold short term (3-5 year) leases with the Council subject to specified exceptions set out below and it may not be provided where an organisation's funding is through a contract with the Council for reasons set out in Appendix B

The Council recognises that organisations may derive part of their funding from economic activity but all or part of its other activities could be considered to have community benefit. Where an organisation may be able to meet the community benefit criteria in part, the Council may offer 40% or 20% rent reduction depending on the proportion of activity which meets community benefit criteria. Appendix C sets out how this partial rent reduction is assessed.

### **Eligibility criteria and assessment**

The applicant organisation must be able to demonstrate that it is:

1. Community-led (i.e. its proposed/existing governance arrangements must demonstrate that it has strong links with the local community, and that members of the community are able to influence its operation and decision-making processes);
2. Appropriately constituted and capable of demonstrating good governance through open and accountable processes, with adequate monitoring, evaluation and financial management systems;
3. Capable of sustainably, legally, and safely managing an asset and delivering services from it;
4. Capable of demonstrating the social, economic, and environmental benefits they deliver through their activities and that these clearly link to the Council's own desired outcome for the borough as expressed in the Community Plan;
5. Able to demonstrate how they will embrace diversity, work to improve community cohesion and reduce inequalities;
6. Willing to offer space and support to other smaller local groups;
7. Able to demonstrate how the organisation contributes to the Voluntary and Community Sector Strategy Action Plan, and,
8. Willing to agree to the principles of the Tower Hamlets Compact.



Assessment is in two stages,

Stage 1: Initial light-touch Expression of Interest by the community group.

Stage 2: A more detailed assessment:

1. Testing the skills, knowledge and capacity to run the building safely and legally. An independently assessed legal compliance tool will be used. For buildings where activity space or other facilities are to be hired to other community groups or local residents the preVisible toolkit will be used. Where buildings are used in other ways such as administrative offices or activity space solely to deliver the applicant organisation's services, other nationally recognised quality assurance standards may be acceptable.
2. Testing the business case with a satisfactory and proportionate (to the scale and type of organisation) business plan that demonstrates an evidenced ability to manage the building sustainably over the term of the lease. The business case will need to demonstrate:
  - a. How it engages with the community it serves and seeks feedback on its activities in order to inform strategic planning of new services and changes/improvements to current services;
  - b. Clear evidence of embracing diversity and promoting community cohesion having regard to the Council's Toolkit on Community Cohesion, and
  - c. Clear evidence that the asset will be used efficiently and intensively.
3. Testing the social, economic, and environmental value by demonstrating that its activities and use of the building will deliver clear and evidenced social, economic, and environmental benefits in line with the Corporate Objectives ('core themes') in the council's 2015 Community Plan.

For organisations where their potential 'Community Benefit rent reduction' would be equal to or less than £20k per annum the simple table set out in Appendix D will be used which links social/charitable objects to actual activity to council objectives. For organisations where their potential 'Community Benefit' would be greater than £20k per annum more detail will be required and an external tool will be used. The Your Value tool would be used for this purpose.

The assessment process and procedure are set out at Appendix D.

Where an organisation fails to meet the first test at Stage 2 (quality assurance) but has an assessment which indicates it could meet the required standard within a maximum of twelve months and meets all other requirements, the Council may agree the rent reduction on condition that the organisation meets the required standard

within a specified timescale. If the organisation fails to meet the standard within the specified timescale the rent reduction will be withdrawn. The standard break clause in the lease would give the organisation the opportunity to then surrender the building back to the Council without incurring a premium though it would remain liable for any outstanding debts and other liabilities to the Council.

### **Monitoring and review**

On-going eligibility for the community benefit rent reduction will be reviewed annually for the duration of the lease. The review may include site visits as well as analysis of Annual Reports and Accounts. Annual reports will need to be produced in a timely fashion after the end of the organisation's financial year and will need to contain a section on how they have delivered their community benefits, giving clear details on activities undertaken throughout the year and how these are related to the social/charitable objects of the organisation and the Council's strategic priorities.

If, following the review, an organisation is no longer providing the community benefit for which the rent reduction had been awarded, it will no longer receive the rent reduction and will be required to pay the full rent. If the organisation subsequently considers that it is providing a community benefit, it will need to reapply for the rent reduction.

Where an organisation receives more than £20,000 rent reduction per annum it will be required to submit a performance report every six months for the duration of the lease. Notwithstanding any other provision within the policy, no organisation shall receive a rent reduction where the total of grant funding received from the state (including the any rent reduction) over any rolling three fiscal year period exceeds the State Aid threshold (currently 200,000 euros).

### **Rent Reduction Agreement**

Organisations granted a rent reduction will enter into a grant agreement which will sit alongside but be separate from the lease. This agreement will set out the amount of rent reduction and the terms on which it is given. It will also set out the monitoring requirements.

Where an organisation is given a rent reduction conditional on achieving a satisfactory quality standard, the grant agreement will be for the term agreed for the organisation to achieve that standard, not the full lease period. It will be extended for the full lease period if the organisation achieves the required standard in the specified timescale.

### **Exclusions**

A number of categories of organisation are ineligible for rent reduction and are therefore excluded from applying.

1. Day Care and Playgroups - It is recognised that many of these groups are providing services where the Council is required to ensure there are sufficient such facilities available. In many instances parents are also receiving childcare allowance. However, by not charging a rental, the cost of providing this care remains hidden. The Council's Integrated Early Years' Service provides a range of support and is developing options that will include support for those nurseries and playgroups affected by this policy;
2. Faith groups – buildings used solely for religious services or other services limited only to the congregation will pay full rental value based on the permitted use. This is the current practice for a number of the buildings that are solely used as faith buildings. This will not prevent an allowance being made for parts of the building that are made available for use by other members of the community or general community use. Faith-based organisations, not occupying a place of worship and providing general community use, will be eligible to apply for the community benefit rent reduction;
3. Organisations who are considered to be wholly engaged in economic activity, as set out in Appendix B. Organisations where there is a mix of economic and community benefit may be eligible for partial rent reduction as set out in Appendix C;
4. Organisations whose rent is met in full through their current Council funding;
5. Organisations that have a lease of less than three years and longer than five years;
6. Organisations which only pay a ground rent, and
7. Organisations with any other agreement with the Council which is not a standard lease as set out in this policy.

## Stepped Rent Lease Agreements

A stepped rent arrangement is a mechanism to give a transitional period for a rent increase to take effect. In essence, the level of rent rises over the period of the lease at times and at levels agreed at the beginning of the lease. The steps reflect the low start based on the full market rent and increase to the market rent in the final year of the lease.

In a commercial setting the principle is that the equivalent to full rent payments are made over the course of the term but stepped to make it less of a financial burden in the early years when a business may be starting up. Where the lessee is a VCS organisation the value of the community benefit it provides will be acknowledged by the Council through an element of subsidy incorporated into the stepped rent arrangement.

The arrangement the Council is proposing is an annual increase over the period of the lease. The starting point would be the current rent plus 30% of the increase in year one with incremental 20% rises so that the final year would reflect 100% of the increase, as illustrated below. The effect of providing this transition would be to give a rent subsidy over the period of the lease of up to 32%.

Where the rent has previously been a peppercorn or there has been no formal lease, the increase will actually be the new rent. For the purposes of the illustration below it is assumed a lease is already in place with a rent of £1,000 per annum. The new rent at renewal is £8,000, an increase of £7,000

Year	Rent payable	% of rent increase	Initial rent	Incremental increase	Saving on market rent
Year 1	£3,100	30%	£1,000	£2,100	£4,900
Year 2	£4,500	50%	£1,000	£3,500	£3,500
Year 3	£5,900	70%	£1,000	£4,900	£2,100
Year 4	£7,300	90%	£1,000	£6,300	£700
Year 5	£8,000	100%	£1,000	£7,000	0
Total					£11,200

This example is for illustrative purposes to demonstrate the principle and could vary according to the circumstances and lengths of individual leases.

The stepped rent arrangement is intended to help support organisations in the transition from a subsidised or zero rent to a market rent. However, organisations are expected to be able to demonstrate some level of self-sufficiency. While these proposals set out proportionate payments, the Council is considering whether it would be appropriate for a de minimis rental level of £2,000 which organisations would be expected to pay even if the calculation of their initial step rent was lower.

## **Criteria**

Stepped Rent will only be considered where an organisation is excluded from the Council's rent reduction scheme. It will not be considered where an organisation is eligible for the rent reduction scheme but fails to meet the organisational and community benefit criteria.

Each case will be considered on its merits but the organisation must meet the same organisational and governance requirements as required for the rent reduction scheme and the premises not used for commercial purposes.

## **Application Process**

The application process will follow the same format as for the rent reduction scheme with the opportunity to submit an expression of interest being offered with the offer of a lease. The initial and, where appropriate, detailed assessment will offer the opportunity of appeal to the rent reduction appeal panel for a final decision.

## **Reporting**

Where the Council agrees a stepped rent, the decision will be reported alongside the reporting of rent reductions to the Grants Determination Cabinet Sub-Committee for information.

**Economic Activity**

By providing a rent reduction the Council would be reducing an organisation's cost base and, through this subsidy, potentially giving it a competitive advantage in the market place (including when bidding for a contract or competing for income from other sources).

The Council in exercising its functions and spending public funds is required to act in a fair and reasonable way. As such, granting a subsidy to organisations who engage in wholly economic activity and who occupy a community building a rent reduction would have the effect of potentially distorting competition. This may reasonably be considered to conflict with the public law principles of fairness and reasonableness.

Whether particular community groups who apply for a rent reduction are considered an organisation engaged in economic activity will be for consideration on a case by case basis. Where an organisation is engaged in both economic and community activities, Appendix C provides for the method of determining a level of rent reduction which is proportionate to the level of community activities delivered.

## Proportionate Rent Reduction

The rent reduction policy currently excludes organisations that are considered to be engaged in economic (i.e. commercial) activity on the basis that, notwithstanding that the State Aid rules would not apply given the de minimis level of subsidy, it may be considered unreasonable or unfair for the Council to subsidise such organisations simply because they occupy Council-owned buildings, the effect of which may be to potentially distort competition in a particular market. However, this does not take account of organisations who deliver both economic and community activities.

The proposals agreed in November 2016 acknowledged there had been some discussion as to whether the rent reduction could be applied proportionately where there was some community use ancillary to the economic activity. However, because of the complexity of such arrangements and the difficulty in administering them, the Council decided not to adopt that approach.

The extension of the scope of community use and potential eligibility for rent reduction has highlighted this issue again. There are a number of premises now brought within the scope of the rent reduction scheme where there appears to be a mix of economic and community activity. While there remains a strong argument against introducing a complex mechanism for applying a proportionate approach, the Council is now considering whether there is scope for a simple proportional assessment.

A simple assessment could be based on an agreed standard proportion of community use, calculated either in time or in space used. The qualifying eligibility threshold could be applied either by floor area or by time actually used, solely applied to activity which has community benefit.

Two thresholds are suggested. The first is where a building is mainly used for activities considered to be 'economic' but which may also be used for a limited amount of community benefit activity, in the evenings and at weekends for instance. The second is where there may be a mix of use at the same time and a significant proportion of space is used for community benefit activity.

The proportion may be calculated by the organisation seeking rent reduction either by:

3. Activity space which is devoted to community benefit activities (activity space excludes common areas and staff kitchen facilities but will include kitchens which are ancillary to activity rooms), or
4. Available opening time devoted to community benefit activities (time where both take place will be considered economic activity).

In the current scheme, the standard rent reduction where a building is exclusively used for community benefit activity is 80%. The suggested rent reductions for mixed use are;

3. 40% rent reduction where the use for community benefit activity is 50% – 99%, and
4. 20% rent reduction where the use for community benefit activity is 25% – 49%.

So if the market rent for a building was £10,000, the lessee would pay:

£2,000 if the building is used solely for community benefit activity;  
£6,000 if the building is used over 50% for community benefit activity and  
£8,000 if the building is used over 25% for community benefit activity.

To qualify for a proportionate rent reduction, organisations which undertake some economic activity must be able to meet the criteria set out in the rent reduction scheme for their community benefit activity.

5. The lessee can meet organisational standards criteria set out in rent reduction scheme
6. Non-economic activities meet the community benefit requirements set out in the rent reduction scheme
7. Either a proportion of activity space is devoted to community benefit activities (activity space excludes common areas and staff kitchen facilities but will include kitchens which are ancillary to activity rooms), or
8. A proportion of available opening time is devoted to community benefit activities (time where both take place will be considered economic activity)

Annual monitoring of community benefit will include confirmation that the proportion remains as initially agreed or more.

In ensuring that the State Aid rules are not invoked, a full account of an organisation's receipt of state funding must be included in the assessment process. Under no circumstances can the totality of state funding (including any rent reduction) exceed 200,000 euros (or such other amount as dictated by the European Commission from time to time) over a rolling three fiscal year period per organisation.

Additionally, as part of the assessment process, analysis will be undertaken of the organisation's costs and expenses. The level of rent reduction given must not exceed the proportionate level of costs or expenses incurred by the organisation (over-compensation) such that the organisation would be generating a profit from the subsidy.



### Assessment Process and Procedure

#### Outline of the Assessment Procedure for 'Community Benefit rent reduction'.

The Assessment process allows both the Council and voluntary or community sector organisation, to properly investigate whether the organisation applying for the 'Community Benefit Rent Reduction' meets the eligibility criteria, standards, is legally compliant, can manage the asset well, will contribute to local wellbeing and the Council's strategic priorities and is financially sustainable. The process will be supportive, flexible and proportionate to the scale of the proposed reduction.

#### Step 1 – Offer of lease (as per the agreed council process for the letting of council assets)

- Community Group secures the offer from Tower Hamlets Council of a 3 to 5 year lease at Market Rent.

#### Step 2 – Expression of Interest for 'Community Benefit Rent Reduction'

- Expression of Interest for a 'Community Benefit Rent Reduction' submitted by the community group.
- On receipt of the Initial Expression of Interest a council link officer (from the Third Sector Team) working with the CVS, will be nominated as the contact person for throughout the process who will, at this stage review the EOI application and any documentation received. If this application and documentation appears to provide a *prima* facie case for offering a 'Community Benefit Rent Reduction' they will then arrange to meet with the organisation and explore their application more fully. If the organisation's Expression of Interest does not meet the criteria to be eligible to apply for the Community Benefit rent reduction the link officer will write to the organisation setting out the reasons that their EOI was not approved. The organisation will have the opportunity to ask for the decision to be reviewed by the Council and the Appeals Panel will review the decision.
- For those organisations that are considered eligible to apply for the Community Benefit Rent Reduction, the meeting arranged by the link officer will be to discuss the full requirements of the standards the organisation will need to meet so they are clear from the outset of what is involved; the link officer will note and discuss any particular challenges the group might face in meeting the standards and will confirm the support available from THCVS or another relevant body as appropriate; they will note from the organisation any information that the council will need to supply to enable them to complete the required work such as figures for utility usage or other costs relevant to the business plan;
- If they feel the application does not merit progressing the link officer will give full feedback to the group. This provides learning not just to the group but also for other groups who are thinking of applying. Accessibility, transparency and accountability throughout the process will be key.

- Following the meeting with the applicant the appointed link officer will make a report to the Assessment Panel. This will summarise the information gathered to date, identify any potential benefits, needs or concerns, and identify the specific support needs of the applicant going forward if the application is to be progressed positively. A copy of this report will be provided to the organisation and an opportunity offered for them to correct any factual inaccuracies before submission to the Assessment Panel.
- If the EOI is rejected by the Assessment Panel, reasons for the decision will be provided and the community group will have a right of appeal via written representations.

### Step 3 – Meeting the Standards for ‘Community Benefit Rent Reduction’

- If the EOI is accepted then the next stage is for the organisation to demonstrate that they meet the eligibility criteria set out in the policy for being offered a ‘Community Benefit Rent Reduction’:
  - Testing the skills, knowledge and capacity
  - Testing the business case
  - Testing the social, economic, and environmental value

Throughout this stage of the assessment process the council link officer will remain in regular contact with the organisation, encouraging and motivating the group, providing guidance on how to meet the criteria, signposting to help and support as required, and helping the group to access information they may need from the council.

- To **Test the skills, knowledge and capacity** the [preVISIBLE](#) tool will be used. [preVISIBLE](#) is a nationally available legal compliance tool developed originally by Community Matters and now hosted by [Advising Communities](#) . Once the organisation has completed the tool they will need to request and pay for **a review and report to be conducted by the independent national VISIBLE assessors**. The final report will provide not just a clear assessment of the legal compliance of the group but supportive advice and guidance on how to meet the requirements of the law and best practice where those have not been met.
- A timetable will be agreed with the organisation to provide sufficient time to deal with any issues raised by the [preVISIBLE](#) report before it is submitted to the Assessment Panel.
- To **Test the business case** a completed business plan will need to be provided by the group. A standard format will be required from all groups though some flexibility will be exercised where a group already has a well developed business plan in an alternative format so long as it can be shown that it essentially covers all aspects of the standard format. The business plan should be proportionate in scope and detail to the size and scope of the organisation’s operations.
- To **Test the social, economic, and environmental value** whilst keeping the assessment process proportionate to the size and scope of the organisation a two-tier process will be used. For organisations where the potential value of the ‘Community Benefit Rent Reduction’ they are applying for is equal to or less than £20K it is recommended that a

simple table linking charitable/social objects of the group to their activities and in turn linking these activities to the council's strategic priorities be used.

For groups where the potential value of the 'Community Benefit Rent Reduction' they are applying for is greater than £20K the independent [Your Value](#) tool will be used. This tool was developed by Community Matters to help community groups demonstrate their social, economic, and environmental value. It is now also hosted by Advising Communities and cost £100 including VAT to set up an account for 1 year.

#### Step 4 – Assessment and decision to award a 'Community Benefit Rent Reduction'

- Once the community group have provided a *pre*VISIBLE report (with a commentary on work done to meet any issues raised in the report), a business plan, and either the Outcomes table or a Your Value report, the council link officer will produce a report and recommendation for the Assessment Panel with regards offering a 'Community Benefit Rent Reduction' with the supporting documentation.
- The Assessment Panel meets and reviews the report and recommendation of the council link officer.
- At this stage the Assessment panel may request further information or work before confirming the 'Community Benefit Rent Reduction'. In this case full feedback will be provided and clear guidance and what further is required to meet the criteria will be.
- If the Assessment Panel makes a final decision not to award the 'Community Benefit Rent Reduction' full reasons will be provided to the organisation. The organisation will have the right of appeal. The Appeals panel will consider and review the decision of the Assessment panel and any further information provided by the organisation and will make a final decision on the award of the Community Benefit Rent Reduction. The organisation will be notified of the Appeals panel's decision in writing.
- The recommendations of the Assessment Panel (and where relevant the Appeals panel) will be presented to the Grants Decision Meeting setting out the reasons and evidence for the decision.

# Community Benefit Rent Reduction Assessment Panel

## Terms of Reference

### Purpose:

Tower Hamlets Council recognises that the local community sector is a valuable and important asset that delivers important services and benefits to local residents. Tower Hamlets Council is committed to ensuring this community value is appropriately recognised and reflected in its community buildings lettings policy.

Recognising that actively investing in the local community sector often represents good value for the public purse and helps Tower Hamlets Council achieve its own social, economic, and environmental outcomes as set out in its Community Plan, Tower Hamlets Council will offer, through a consistent, transparent, and accountable process, a Community Benefit rent-reduction to organisations that meet the Eligibility Criteria set out in the Council's policy.

The purpose of the Assessment Panel is to ensure the fair and transparent application of the Council's Community Benefit Rent Reduction policy and to assess individual applications and make decisions on whether an applicant has met the requirements of the Eligibility Criteria.

### Composition:


The Assessment Panel will comprise the Head of Revenues, the Head of Benefits and a representative of THCVS. The Panel will be chaired by the Head of Revenues.

### Role and Responsibilities:

- To consider and make recommendations on initial Expression of Interests from organisations and the link officer's assessment report;
- To consider and make recommendations on the independently produced *pre*VISIBLE report that tests the skills, knowledge and capacity of the organisation;
- To consider and make recommendations regarding the organisation's business plan;
- For organisations where the rent reduction would be greater than £20k per annum to consider and make recommendations on the *Your Value* Report;
- To request and consider any supplementary information considered necessary to make recommendations;
- For organisations appealing the Grants Decision Making meetings decisions, to provide to the Appeals panel details of the recommendations made by the Assessment panel that resulted in the organisation not being considered eligible;
- To advise the Grants Decision Making meeting on the recommendations made and the reasons for those recommendations, and
- To consider the findings of the annual review process and compliance audits monitoring reports.

### Frequency of Meetings:

The Assessment Panel will meet as and when applications are received and at least twice a year to consider the findings of the annual review and compliance audit.

<p><b>Cabinet</b></p> <p>20 March, 2018</p>	
<p><b>Report of:</b> Ann Sutcliffe Interim Corporate Director, Place</p>	<p><b>Classification:</b> Unrestricted</p>
<p>Private Sector Housing Renewal Policy 2018 - 2022</p>	

<b>Lead Member</b>	Cllr Siraj Islam
<b>Originating Officer(s)</b>	Martin Ling – Housing Strategy Manager
<b>Wards affected</b>	All Wards
<b>Key Decision?</b>	No
<b>Community Plan Theme</b>	A Great Place to Live

## Executive Summary

The Council has a duty under Part 1, Chapter 1, Section 3 of the Housing Act 2004 to review housing conditions in its area.

Where housing conditions are found to require improvement, assistance can be provided under the terms of Article 3 of the Regulatory Reform (Housing Assistance) Order 2002; Under these terms a local authority is also required to have adopted a Private Sector Housing Renewal Policy. The policy should set out how the Council is able to assist in improving the living conditions for residents who live in private sector housing within the Borough.

This report outlines options for updating the Council’s Private Sector Housing Renewal Policy. The last policy was produced in April 2016 to meet the requirements of the Regulatory Reform (Housing Assistance) Order 2002 that provided a new framework for private sector housing renewal. The policy was amended in November 2017 in order to introduce discretionary Disabled Facilities Grants.

A public consultation on a draft Private Sector Housing Renewal Policy upon which the main recommendations set out below are based was launched on the 15<sup>th</sup> November 2017 and concluded on the 13<sup>th</sup> January 2018.

**Recommendations:**

The Mayor in Cabinet is recommended to:-

- i. Adopt the Private Sector Housing Renewal Policy 2018 - 2022 attached at Appendix 2.

## **1 REASONS FOR THE DECISIONS**

- 1.1 The Council has a duty under Part 1, Chapter 1, Section 3 of the Housing Act 2004 to review housing conditions in its district. Where housing conditions are found to require improvement, assistance can be provided under the terms of Article 3 of the Regulatory Reform (Housing Assistance) Order 2002.
- 1.2 The 2011 private sector stock condition and an analysis of the demand from residents who meet the current grant conditions demonstrates that housing conditions are found to require improvement in some areas and that the Council has a ring-fenced budget available to spend on improvements in the private sector.

## **2 ALTERNATIVE OPTIONS**

- 2.1 The Council could choose to adopt a modified Private Sector Housing Renewal Policy which may require further impact assessment, but the version in Appendix 2 is recommended for the reasons set out in the body of the report.

## **3 DETAILS OF REPORT**

- 3.1 The Council is required to have a Private Sector Housing Renewal Policy. The current policy runs until the end of 2018. The policy covers mandatory and discretionary Disabled Facilities Grants (DFG) and discretionary Home Repair and Empty Property Grants. DFGs are allocated on the basis of the needs of a disabled person whilst the latter 2 grants are related to the condition of properties. Each grant regime is considered below.

### **3.2 Consultation**

A light touch consultation took place between November 2017 and January 2018. An options paper was placed on the Council's website and circulated to all key partners and a number of internal and external meetings took place. In addition, all owners with properties recorded as being empty for over 6 months were written to seeking their comments on the grants available and the type of assistance they would find helpful to enable them to bring properties in use.

There was relatively little response from the public consultation but there was general consensus on the proposed changes which are set out below from internal and external partners as it will provide more flexible use of the DFG in the future.

The Tower Hamlets Housing Forum, Asset Management Group were particular supportive of the extension of the use of the DFG and suggested a number of areas where the service could be designed to improve the service to residents which can be taken forward in the future.

## Disabled Facilities Grants

- 3.3 The Council is committed to making mandatory and where appropriate discretionary DFGs available to all eligible owner-occupiers and private sector tenants so that they can remain living independently in their own homes. A disabled owner-occupier or tenant may apply for a DFG for a number of purposes which will primarily improve access and comfort. Mandatory DFGs will continue to be available to eligible owner-occupiers and private sector tenants and the maximum mandatory DFG is £30,000. These grants are currently means tested except when for the benefit of a disabled child under the age of 18. The grant level has remained at £30k since 2008 and is generally not adequate enough to cover the cost of extensions. In November 2017, the Mayor in Cabinet agreed to amend the existing policy to enable discretionary grants beyond the £30k limit, primarily to enable the Council to facilitate extensions to properties where alternative suitable and less expensive adaptations could not be provided. Adaptations for disabled people in Council owned property are funded through a budget allocation within the Housing Revenue Account and delivered by Tower Hamlets Homes.
- 3.4 DFGs were introduced as part of the 1989 Local Government and Housing Act and the first grants were given in 1990, so it has been in use for over a quarter of a century. The most fundamental change came in 2014 when it was announced that DFG would become part of the pooled health and social care budget, the Better Care Fund, and responsibility for its administration would pass from the Department of Communities and Local Government to the Department of Health.
- 3.5 In the Comprehensive Spending Review of November 2015 it was announced that the central government allocation for the grant was to more than double from £220m in 2014/15 to over £500m by 2019/20 and there was a substantial increase in resources for 2016/17 to £394m. As a consequence, the Council's DFG allocation rose to £1.4m in 2016/17 and further to £1.7m in 2017/18. The DFG budget is part of the Better Care Fund and the Council can use the DFG allocation to meet other objectives covered through the Better Care Fund. The capital programme incorporates a DFG budget for 2017/18 of £1.42m (including slippage from 2016/17) and £1.4m for 2018/19.
- 3.6 In 2014, an agreement was reached with Registered Providers who operate within the borough that they will fund 50% of DFGs up to a maximum of £5,000 for their tenants. The agreement was approved by the Tower Hamlets Housing Forum Executive. The agreement was suspended in April 2017 following the increases in budget in 2015/16 and 2016/17 but could be reintroduced by mutual agreement should there be further budget constraints beyond 2020.
- 3.7 The introduction of the Better Care Fund and increased DFG budgets will enable the Council to take advantage of the flexibilities allowed under the Regulatory Reform Order (2002 Housing Renewal) (RRO).



- 3.8 Officers have carried out a full review of emerging good practice elsewhere in regard to the wider use of DFG and engaged with Foundations, the Government's appointed advisory agency for best practice in the delivery of DFGs and extended use of the grant allowed under the RRO. Additional areas of support funded through the DFG will be required to meet a necessary, appropriate, reasonable and practical test, would be discretionary and will need to meet the central aim of the RRO which is to create greater flexibility within the fund and address housing issues on a wider preventative basis. It is therefore proposed to extend the use of the grant to the following areas:

**Relocation Grants** - Relocation grants would enable the Council to assist homeowners to move to a more suitable property where an in situ solution cannot be provided. Although they are rarely likely to be used, grants could cover removal costs, reconnection fees and legal costs.

**Hospital Discharge Grants** – Discharge from hospital can be delayed when a resident's home is not suitable for them to return to and is both expensive to the NHS as the ward cannot be used efficiently and neither is it in the patient's interest to be delayed from returning home . Using DFG grant for fast track works, including deep cleaning; decluttering and minor repairs can speed up this process and potentially save the public purse thousands of pounds.

**Dementia Grants** – Dementia grants can be used to replace gas, electric cooking facilities with microwaves and specialist assistive technology such as GIS tracking devices where appropriate.

### **Assistive Technology and Equipment**

The Council provides comprehensive assistive technology and equipment services including deaf/blind aids. DFG spend could be used to supplement this service where an unmet demand can be identified.

### **Abolition of means test on cases below £10k**

In addition it is proposed to abolish the means test for works below £10k. Carrying out means testing to identify whether a householder should make a contribution towards DFGs is standard practice but is in most cases the applicant does not have to make a contribution. Between 2015 and 2017, the Council collected a total of 9 client contributions amounting to £13,320 having conducted 136 means tests. In line with most other Local Authorities it is recommended that the means test is abolished for all work costing less than £10k. This will reduce bureaucracy and speed up the process for the delivery of DFGs.

- 3.9 The expectation is that most of these additional funding areas will be administered through Adult Services teams via the Better Care Fund through a top slice of the DFG allocation. An internal working group has been meeting over recent months to review all the corporate work activity in relation to enabling independence at home in the context of getting best value from the

Better Care Fund and increased DFG. By including these areas for potential spend in the revised policy; the Council will then have the flexibility to use the DFG funds in other areas to promote independence. It should be noted that the majority of the budget will continue to be spent on mandatory adaptations and it is proposed to make funds spent in the areas above available on a discretionary basis and subject to approval through the budget setting process for the Better Care Fund.

### Home Repair and Empty Property Grants

- 3.10 The 2011 census demonstrated that the private rented housing sector is now the single largest housing tenure in the Borough and it is growing rapidly. The table below details the tenure breakdown in more detail adjusted to estimated 2017 levels.

Tenure	2003	%	2011	%	2017	%
Owner occupied	27,308	31%	25,339	23%	26,680	21%
Council owned ( <i>Rented</i> )	24,200	28%	12,500	12%	12,600	10%
Registered social landlord ( <i>Rented</i> )	17,828	20%	26,484	24%	29,500	24%
Private rented sector	17,513	20%	41,870	39%	52,820	42%
Shared ownership	500	1%	2,000	2%	3,000	2%
<b>Total</b>	<b>87,349</b>		<b>108,193</b>		<b>124,700*</b>	

*\*These figures are updated estimates based on 2011 Census tenure split uplifted to reflect growth in residential numbers as recorded in the 2017 Council Tax records.*

- 3.11 The gradual change in tenure, growth in new build and the impact of gentrification have all had an impact on housing conditions in the Borough. The last private sector stock condition survey was carried out in 2011 and stated that around 19% of private housing in the Borough failed to meet the decent homes standard. External analysis of the English Housing Condition Survey suggests around 5% of housing in London could be unfit for human habitation and feature Category 1 Hazards. The Council's primary response to these conditions will be through enforcement action rather than through the provision of grants as most housing in poor condition will be rented out privately.

The consequence of the growth in the private rented sector is that the number of owner occupiers in older properties has continued to decline and empty property levels are at a historic low, reflecting the overall trend in London. This in turn has led to a steady decline in the number of applications for both home repairs and empty property grants in recent years. However there are still a small number of primarily elderly low income owner occupiers who have received grants in recent years and this is expected to continue. Whilst there

have only been two live empty property grant engagements in the last 12 months, it is recommended that the policy is retained as set out below.

### **Home Repair Grants**

- 3.12 These grants are used to remove Category 1 hazards from the homes of the most vulnerable residents in the private sector. The grant limit of £6,000 is normally adequate, with an average cost per grant just under £2,000. However there have been some applications for roof repairs in excess of £6,000 and it is recommended that the limit is raised to £10,000 to enable such repairs to take place.

It is also proposed to relax the criteria for the grant enabling wider access but still to people on low incomes of any age range – e.g. Any owners who are on a qualifying benefit that have Category 1 Hazards within their premises instead of all owners having to be in receipt of Disability Living Allowance or be over 60 and in receipt of a qualifying benefit.

### **Empty Property Grants**

- 3.13 Broadly, the Ministry of Housing, Communities and Local Government (MHCLG) defines an empty home as any dwelling that has been unoccupied for more than six months. The MHCLG excludes from their definition any home that is empty because the owner is in hospital, prison, or care; or that has been repossessed by a mortgage lender; or where probate has not been granted, or because occupation is prohibited by law. The MHCLG also excludes the large number of homes that are “substantially furnished” and used, no matter how rarely, as second homes or as short-term lettings.
- 3.14 The government assesses the number of empty homes nationally by taking a ‘snapshot’ in October each year of the number of dwellings that Council Tax records show have been empty and substantially unfurnished for six months or more. In October 2017 there were 559 of those empty homes in Tower Hamlets. The number of empty Tower Hamlets homes in that category has reduced from a peak of 1,623 in 2010, a decrease of 66%. This is largely as a result of the huge increase in both the house price and rental values in the borough which have enabled both vendors and landlords to benefit financially from the uplift in the market. Of the 559 properties, 80% were empty for less than 2 years. The majority of empty properties in the Borough are flats which reflect the make-up of stock across the Borough.
- 3.15 During the ten years from 2003 and 2013, 53 Empty Property Grants were paid out, bringing 160 units into use for households nominated by the housing options service. The number of applications fell sharply from 2011/12. Since then the strength of the housing market is encouraging owners to make use of their properties and engagement across the sector demonstrates that many owners are in the process of making planning applications, or selling or letting properties out. Officers are working with a targeted number of empty home owners across the borough using a range of enforcement and planning

powers and general advice approaches to assist in bringing properties back into use.

- 3.16 The Council also has the power to use Compulsory Purchase Orders and Empty Dwelling Management Orders but these are generally expensive and time consuming responses. Engaging with owners over the potential use of these powers has been used in order to strengthen the Council's negotiating position and encourage owners to take action in order to bring homes back to use.
- 3.17 It will be prudent to offer empty property grants if a landlord is prepared to let the properties for a set time period - usually 3 to 5 years - to clients referred from the Housing Options Service at rents no higher than the Local Housing Allowance. Officers are currently engaging with two owners on properties that could be brought back into use with the provision of grants. This could continue be a cost effective source of accommodation in the Borough and allows the Council to discharge its homelessness duty within the private sector albeit on a limited basis. It is intended to continue with the scheme and continue to promote the grants with empty home owners as part of an ongoing engagement with the sector.
- 3.18 The other changes in the policy relate to the scheme of delegation which is slightly amended to reflect the current practice of greater accountability in the decision making process.

A Summary of the key changes to the policy is set out at Appendix 1.

#### **4 EQUALITY ISSUES**

- 4.1 The Council's Housing Strategy, adopted in December 2016 set an action to refresh the Private Sector Housing Renewal policy in order to improve partnership working and coordination with the Better Care Fund. The Equality Impact Assessment carried out as part of the development of the Strategy stated that the refresh aims to provide more customer focused services, to reduce hospital admissions and to enable people to return from hospital more quickly. The refresh also aims to broaden access to the Disabled Facilities Grant, improving the quality of life for people living with limiting disabilities by providing aids and adaptations at home. A substantial number of applicants are elderly people and applicants broadly reflect the ethnic mix of the borough. The adoption of the policy will have a positive impact on the lives of residents from two protected equalities groups, the elderly and disabled.

#### **5 BUDGET AND PROGRAMME COSTS**

- 5.1 The budget is divided into two elements – mandatory Disabled Facilities Grants and discretionary minor home repairs/empty property assistance.
- 5.2 **Mandatory Disabled Facilities Grants (DFGs)** - The 2017/18 DFG budget was established at £1.257m plus slippage of £0.163m. Expenditure to the end of quarter three (December 2017) is £0.676m and it is anticipated that the

outturn will be in the region of £1.2m. Any unspent resources will carry forward into 2018-19. The maximum grant available to eligible applicants is currently £30,000, with a discretionary top up. 359 grants have been awarded and works completed in the 21 months since April 2016.

- 5.3 **Home Repair Assistance** - the grant limit of £6,000 is being raised to £10,000 to allow for applications for roof repairs. The current average cost per grant is just under £2,000. 23 grants have been awarded and works completed in the 21 months since April 2016.
- 5.4 **Empty Property Grants** – No Empty Property grants have been awarded in 2017/18, though there is a case currently under consideration. The budget for Private Sector Housing Improvements for 2017/18 is £0.03m, rising to £0.100m in 2018/19.

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

- 6.1 This report seeks the approval of the 2018 - 2022 Private Sector Renewal Policy by the Mayor in Cabinet.
- 6.2 The draft Private Sector Renewal Policy (attached as Appendix 2) covers a range of grant types, including Disabled Facilities Grants and a Private Sector Improvement Grants programme incorporating Home Repairs Grants and Empty Property Grants. These grants are included in the Council's capital programme, funded as outlined in paragraphs 7.3 and 7.4.
- 6.3 **Disabled Facilities Grant**
  - 6.3.1 The previous DFG financing regime ended in 2014-15 when the Council's annual budget was £995,000, part funded by DCLG grant of £744,000. Due to demands on the mandatory grants budget which was usually oversubscribed, the option to approve discretionary DFG payments was not included within the Private Sector Renewal Policy.
  - 6.3.2 Since the integration of the DFG funding system with the Social Care capital grant element of the Better Care Fund, the capital budget for DFG for use by the Private Housing Improvement Team has significantly increased. For 2018-19, the approved capital estimate is £1.4 million, with the remaining DFG allocation being used by Adult Services to meet other objectives within the Better Care Fund programme. This increased budget provides the opportunity to also provide resources to fund discretionary DFGs.
  - 6.3.3 The Disabled Facilities Grant funding element within the capital programme will continue to be considered on an annual basis, and will still be dependent upon grant resources made available by the MHCLG, and if appropriate, the Department of Health.

## 6.4 Private Sector Renewal Grants programme

- 6.4.1 The Council has previously adopted capital estimates 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 repairs and improvements and the award of Empty Property Grants. In addition to funding carried forward from previous years, an on-going annual capital budget of £100,000 has been included within the capital programme, with flexibility to bring funding forward from future years if necessary.
- 6.4.2 The residual East London Renewal Partnership funding relates to the Mayor of London's Regional Housing Pot which was established to specifically allow discretionary grant assistance, mainly in respect of empty properties. It is anticipated that this level of funding will continue to finance the Council's grant regime for the four year period of the policy, however expenditure and commitments must continue to be closely monitored to ensure that resources are not exceeded.
- 6.4.3 It should be noted that as well as the actual grant payments themselves, an element of the East London Partnership funding supports the administration of the programme, and contributes towards the funding of the private sector renewal team. These revenue costs must be taken into account as a call on the available grant when monitoring commitments to ensure that resources are not exceeded.
- 6.4.4 The report sets out possible levels of assistance that will enable the Council to continue to offer a Private Sector grants process over the next four years. Although alternative funding regimes will continue to be sought, there is currently little scope for additional resources to be secured for these grants. Any future initiatives would need to be considered in relation to the Council's other priorities within the capital programme and in accordance with its Capital Strategy.

## 7. LEGAL COMMENTS

- 7.1 The Council has a duty under section 3 of the Housing Act 2004 to keep the housing conditions in its area under review with a view to identifying whether it needs to take any action with respect to its powers under a range of Housing Legislation.
- 7.2 Article 3 of the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 provides that where housing conditions are found to require adaptation, repair or improvement, assistance may be provided by the Council.
- 7.3 A Disabled Facilities Grant (DFG) is a mandatory grant awarded through the Council to help adapt properties to the needs of disabled persons. The

maximum grant that can be awarded is £30,000. This is provided by the Housing Grants, Construction and Regeneration Act 1996.

- 7.4 The Care Act 2014 amended the National Health Service Act 2006 ('NHS Act 2006') to provide a legislative basis for the Better Care Fund (BCF). The Government provides funding to local authorities under the BCF to integrate local services and under that funding, there is a requirement that the BCF integrates the DFG. The Council can use the BCF innovatively through the 2002 Order and this permits the Council to grant a DFG over £30,000.
- 7.5 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 current Policy is the Private Sector Renewal Policy 2016 – 2018 and this report seeks for the Mayor in Cabinet to adopt a Private Sector Renewal Policy for 2018 - 2022. The proposed 2018 - 2022 Private Sector Housing Renewal Policy includes assistance of the kind permitted by Article 3 of the 2002 Order and is therefore lawful.
- 7.6 The Private Sector Renewal Policy is not part of the Council's Budget and Policy Framework. The adoption of the Policy is an Executive function and therefore the Mayor in Cabinet has the authority to adopt the 2018 - 2022 Private Sector Renewal Policy.
- 7.7 The BCF programme is governed by a formal agreement between the Council and the Tower Hamlets CCG under Section 75 of the NHS Act 2006. As stated in of the Finance comments for 2018-19, the approved capital estimate is £1.4 million, with the remaining DFG allocation being used by Adult Services to meet other objectives within the Better Care Fund programme.
- 7.8 As to consultation, the Council must also comply with its common law duty and which imposes a general duty of procedural fairness when exercising functions which affects the interests of individuals. In that regard:
  - (a) The consultation was at a time when the proposals were still at a formative stage and the proposals were still formative;
  - (b) The Council has given sufficient reasons for its proposals and which have permitted intelligent consideration and response; and
  - (c) adequate time has been given for consideration and response.
- 7.9 The consultation exercise has been completed and the report advises that there was relatively little response from the public consultation but there was general consensus on the proposed changes from internal and external partners as it will provide more flexible use of the DFG in the future. The responses to the consultation must be considered before the decision to adopt or not is made.

- 7.10 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.
- 7.11 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 Private Sector Renewal 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 characteristic.

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

- 8.1 As set out at 5.1 above, the Private Sector Renewal Policy has a positive impact on the lives of some of the most vulnerable people within the Borough and enables them to live independently at home within their communities.

## **9. BEST VALUE (BV) IMPLICATIONS**

- 9.1 The needs of all clients who apply for Disabled Facilities Grants are considered by both Occupational Therapist and surveyors from the Home Improvement Agency. Recommendations for appropriate adaptations take into account the key objective of assisting the client to live independently at home as well achieving best value for the public purse. The provision of a DFGs and Home Repair Grants is designed to ensure that this objective can be achieved. If the adaptation was not to go ahead in some cases it is possible that additional costs will be incurred as a result of an increased risk of hospital admissions, additional care costs or rehousing to a higher care environment. In addition the provision of empty property grants can assist the Council in meeting housing need in the borough.

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

- 10.1 The delivery of the Private Sector Housing Renewal Policy encourages efficient use of materials for adaptation and encourages sustainable action for a greener environment.

## **11. RISK MANAGEMENT IMPLICATIONS**

- 11.1 The management of the grants programme is subject to standard risk management process.



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

- 12.1 There are no implications with regard to Disabled Facilities Grant and with regard to crime and disorder.

## **13. SAFEGUARDING IMPLICATIONS**

- 13.1 There are no implications for Safeguarding with regard to the provision of the Private sector Renewal Policy.
- 

### **Linked Reports, Appendices and Background Documents**

#### **Linked Report**

None

#### **Appendices**

Appendix 1 – Summary of the key changes to the 2016 – 18 Private Sector Housing Renewal Policy

Appendix 2 – 2018 – 22 Private Sector Housing Renewal Policy

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

None

#### **Officer contact details for documents:**

Martin Ling  
Housing Strategy Manager

0207 364 0469

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## Private Sector Housing Renewal Grants Policy 2018 - 2022

### Consultation on the proposed changes to the 2016/18 Policy

<p><b>Summary of Present Policy</b></p> <p><b>Full details of policy conditions are set out in the policy document</b></p>	<p><b>Proposed Changes and reasons for the proposed changes</b></p>
<p><b>Disabled Facilities Grants (DFG) - Owner-occupiers and Tenants</b></p> <p>The Council is committed to making Mandatory Disabled Facilities Grants available to all eligible owner-occupiers and private sector tenants so that they can remain living independently in their own homes. A disabled owner-occupier or tenant may apply for a Disabled Facilities Grant for a number of purposes which will primarily improve access and comfort.</p> <p>Mandatory Disabled Facilities grants will continue to be available to eligible owner-occupiers and private sector tenants and the maximum mandatory Disabled Facilities Grant is £30,000.</p> <p>These grants are means tested except for the benefit for a disabled child under the age of 16 or and 16-19 years old who are receiving full time education and still in receipt of child benefit is 100% grant aided.</p> <p>Applications for discretionary disabled facilities over £30,000 will be considered on a case by case basis and will only be agreed if the owner occupier agrees to having a land charge to the value of the</p>	<p><b>Proposed Changes:</b></p> <p>It is proposed that the Council extends the current policy under the general powers enabled under the Regulatory Reform Order 2002. Since 2010 Councils can use DFG monies more flexibly as part of its strategy to keep people safe and well at home and reduce bureaucracy. It is therefore proposed that the following measures are introduced:</p> <p><b>Relocation Grants</b> - Relocation grants would enable the Council to assist homeowners to move to a more suitable property. Grant could cover removal costs, reconnection fees and legal costs.</p> <p><b>Hospital discharge Grants</b> – Bed blocking caused when a resident’s home is not suitable for them to return to is both expensive to the NHS and not in the patient’s interest. Using DFG grant for fast track works including deep</p>

additional grant being placed on the property  
Current policy restricts spend to:

A disabled owner-occupier may apply for a Disabled Facilities Grant for the following purposes:

- Facilitating access to and from the dwelling by the disabled occupant *for example widening doorways and installing ramps*
- Making the dwelling or building safe for the disabled occupant *for example* adapting a room in which it would be safe to leave a disabled person unattended or improved lighting to ensure better visibility
- Access to the principal family room by the disabled occupant
- Access to or providing a bedroom for the disabled occupant *for example installing a stairlift*
- Access to or providing a room containing a bath or shower for the disabled occupant or facilitating the use by the disabled occupant of such a facility *for example providing a level access shower*
- Access to or providing a room containing a WC for the disabled occupant or facilitating the use by the disabled occupant of such a facility
- Access to or providing a room containing a wash hand basin for the disabled occupant or facilitating the use by the disabled occupant of such a facility
- Facilitating the preparation and cooking of food by the disabled person
- Improving or providing a heating system for the disabled person
- Facilitating the use of power, light or heat by the disabled

cleaning, decluttering and minor repairs can speed up this process and potentially save the public purse thousands of pounds.

**Dementia Grants** – Dementia grants can be used to replace gas, electric cooking facilities with microwaves and specialist assistive technology such as GIS tracking devices where appropriate.

**Assistive technology and equipment**

The Council provides comprehensive assistive technology and equipment services including deaf/blind aids. DFG spend could be used to supplement this service where an unmet demand can be identified.

**Abolish Means Test below £10k** – Carrying out means testing to identify whether a householder should make a contribution towards DFGs is standard practice but is in most cases the applicant does not have to make a contribution. Between 2015 and 2017, the Council collected a total of 9 client contributions amounting to of £13,320. Having conducted 136 means tests. In line with most other Local Authorities it is recommended that the means test is abolished for cases costing less than £10k. This will reduce bureaucracy and speed up the process for the delivery of DFGs.

<p>person by altering same or providing additional means of control <i>for example lowering light switches or raising plug sockets</i></p> <ul style="list-style-type: none"> <li>• Facilitating access and movement around the dwelling to enable a disabled person to care for someone <i>for example a spouse or child</i></li> <li>• Facilitating access to an existing garden where feasible</li> </ul>	
<p><b>Private Landlords and Registered Providers</b></p> <p>A private landlord or a Registered Provider may apply for a Disabled Facilities Grant on behalf of a disabled tenant, or potential tenant for a number of purposes which will primarily improve access and comfort.</p> <p>The maximum mandatory Disabled Facilities Grant is currently £30,000. Applications for discretionary disabled facilities cannot be considered due to budget restrictions.</p> <p>Applications made by Registered Provider must also demonstrate that no other suitable accommodation is available to transfer the tenant to and that the tenant is not under-occupying the property.</p> <p>During 2013/14 officers will work with Registered Providers to agree a way of funding Mandatory DFGs for their tenants in 2014/15.</p>	<p><b>Proposed Changes:</b> Recognise agreement with Disabled Facilities Grants contributions from Registered Providers acknowledging that it is currently suspended</p> <p><b>Reason for changes:</b> Agreement was reached with Registered Providers that they will fund 50% of Disabled Facilities Grant up to a maximum of £5000 for their tenants.</p> <p>The agreement was approved by the Tower Hamlets Housing Forum Executive in 2014.</p> <p>The agreement was suspended in January 2016 following the increases in budget in 2015/16 and 2016/17.</p> <p>Incorporate the RRO changes as follows ( for details see above):</p> <p><b>Hospital Discharge Grants</b></p> <p><b>Dementia Grants</b></p>

	<p><b>Assistive technology and equipment</b></p> <p><b>Abolish Means Test below £10k</b></p> <p><b>Relocation Grants</b></p>
<p><b>Home Repair Grants</b></p> <p>Small grants may be made available to eligible owner-occupiers to enable them to remain in their own homes safely and avoid minor accidents.</p> <p>Home Repair Grants may be made available to owner-occupiers who are:</p> <ul style="list-style-type: none"> <li>• over 60, or</li> <li>• disabled or infirm, or the parent or carer of a disabled child and</li> <li>• in receipt of an income related benefit or eligible tax credits.</li> </ul> <p>These grants will be for the following types of works:</p> <ul style="list-style-type: none"> <li>• Removal of category 1 Hazards</li> </ul> <p>Home Repair Grants will only be available if the applicant has owned and lived at the property as their only main residence for at least 3 years. The Home Repair Grant will be limited to a maximum of £6,000 per applicant in any five year period.</p> <p>The grant will not normally be available to part fund major works</p>	<p><b>Proposed Changes:</b></p> <p>Increase Grants up to £10k to recognise rise in building costs</p> <p>Relax the criteria for the grant enabling wider access but still to people on low incomes of any age range – e.g. Any owners who are on a qualifying benefit that have CAT hazards within their premises instead of all owners have to be in receipt of Disability Living Allowance or be over 60 and in receipt of a qualifying benefit.</p>

<p>costing over £6,000 .These grants are not repayable.</p>									
<p><b>Empty Property Grants</b></p> <p>Empty Property Grants are available to owners of empty properties who wish to refurbish, demolish and rebuild their property or to convert it into a number of units and make it available for letting. The Empty Property Grant can contribute to the cost of the works needed to bring the home up to the decent homes standard and incorporate works to make the home safe, secure and affordable to keep warm.</p> <p>Only landlords who are accredited under the London Landlords’ Accreditation Scheme (LLAS) will receive grants. The maximum amount of grant assistance would be dependent upon the size of the resultant units.</p> <p>The maximum amount of grant assistance would be dependent upon the size of the resultant units and the status of the landlord.</p> <table border="1"> <thead> <tr> <th>Type of Accommodation</th> <th>Maximum Grant</th> </tr> </thead> <tbody> <tr> <td>One bedroom flat</td> <td>£20,000</td> </tr> <tr> <td>Two bedroom flat or house</td> <td>£25,000</td> </tr> <tr> <td>Three bedroom flat or house</td> <td>£30,000</td> </tr> </tbody> </table> <p>The owner of the empty property would be required to let out the property for a period of between 3 5 years to families nominated by the Council at a rent level below the Local Housing Allowance.</p> <p>The grant will be repayable if the property is sold or transferred within</p>	Type of Accommodation	Maximum Grant	One bedroom flat	£20,000	Two bedroom flat or house	£25,000	Three bedroom flat or house	£30,000	<p><b>Proposed Changes:</b></p> <p>None</p>
Type of Accommodation	Maximum Grant								
One bedroom flat	£20,000								
Two bedroom flat or house	£25,000								
Three bedroom flat or house	£30,000								

<p>a 5-year period, with interest.</p> <p>Priority will be given to larger 1 bedroom and 2 bedroom homes built to a high design standard situated in areas of high demand.</p>	
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**London Borough of Tower Hamlets**

**Private Sector Housing Renewal Policy 2018 – 2022**

# **Private Sector Housing Renewal Policy 2018 - 2022**

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## Introduction and Budget

This policy sets out the Council's position on direct grant funding to owner occupiers and private sector landlords and tenants.

### 1. Statutory Duty

The Council has a duty under Part 1, Chapter 1, and Section 3 of the Housing Act 2004 to review housing conditions in their district.

Where housing conditions are found to require improvement, assistance can be provided under the terms of Article 3 of the Regulatory Reform (Housing Assistance) Order 2002; however a local authority is also required to have adopted a Private Sector Housing Renewal Policy. The Policy should set out how the Council is able to assist in improving the living conditions for residents who live in private sector housing within the Borough.

### 2. Proportion of housing stock

According to the council's private sector stock condition survey, the private rented housing sector is now the largest housing sector in the Borough and it is growing rapidly. The cost of owner-occupation and private renting is very high in the Borough. The table below details the tenure breakdown for the borough.

According to the 2011 census, the private rented housing sector is now the single largest housing tenure in the Borough and it is growing rapidly. The table below details the tenure breakdown in more detail.

Tenure	2003	%	2011	%	2017	%
Owner occupied	27308	31%	25339	23%	26,680	21%
Council owned ( <i>Rented</i> )	24200	28%	12500	12%	12600	10%
Registered social landlord ( <i>Rented</i> )	17828	20%	26484	24%	29,500	24%
Private rented sector	17513	20%	41870	39%	52820	42%
Shared ownership	500	1%	2000	2%	3000	2%
<b>Total</b>	<b>87349</b>		<b>108193</b>		<b>124700*</b>	

*\*These figures are updated estimates based on 2011 Census tenure split uplifted to reflect growth in residential numbers as recorded in the 2017 Council Tax records.*

### **3. Scope of Grant Assistance**

The policy covers the following grant categories:

#### **3.1 Disabled Facilities Grants:**

##### **Owner-occupiers and Tenants**

The Council is committed to making Mandatory Disabled Facilities Grants available to all eligible owner-occupiers and private sector tenants so that they can remain living independently in their own homes. A disabled owner-occupier or tenant may apply for a Disabled Facilities Grant for a number of purposes which will primarily improve access and comfort. Full details are set out in Appendix 1.

Mandatory Disabled Facilities Grants will continue to be available to eligible owner-occupiers and private sector tenants and the maximum mandatory Disabled Facilities Grant is £30,000.

These grants are means tested except for the benefit for a disabled child under the age of 18.

Applications for Discretionary Disabled Facilities Grant above the maximum mandatory £30k limit will be considered on a case by case basis by the Home Improvement Agency (HIA) Grants Panel. Approval will be subject to it being identified that the client would not be able raise the necessary funds to complete the works which would then result in the adaptation not being carried out.

##### **Private Landlords and Registered Providers**

A private landlord or a Registered Provider may apply for a Disabled Facilities Grant on behalf of a disabled tenant, or potential tenant for a number of purposes which will primarily improve access and comfort. Full details are set out in Appendix 1.

Applications made by Registered Provider must also demonstrate that no other suitable accommodation is available to transfer the tenant to and that the tenant is not under-occupying the property.

Agreement was reached in 2014 with Registered Providers through the Tower Hamlets Housing Forum that they will fund 50% of Disabled Facilities Grant up to a maximum of £5,000 for their own tenants. Following an uplift in central government funding this arrangement is currently suspended but can be reintroduced subject to agreement by all parties should the budgetary position change.

Further details on the Disabled Facilities Grant can be found in Appendix 1.

### **3.2 Home Repair Grants**

Small grants may be made available to eligible owner-occupiers to enable them to remain in their own homes safely and avoid minor accidents.

Home Repair Grants may be made available to owner-occupiers that have a Category 1 hazard within their premises and are in receipt of a qualifying benefit.

Home Repair Grants will only be available if the applicant has owned and lived at the property as their only main residence for at least 3 years. The Home Repair Grant will be limited to a maximum of £10,000 per applicant in any five year period.

The grant will not normally be available to part fund major works costing over £10,000. These grants are not repayable.

Further details on the Home Repair Grant can be found in Appendix 1

### **3.3 Empty Property Grants**

Empty Property Grants may be made available to owners of properties that have been empty for at least 6 months, who wish to refurbish, demolish and rebuild their property or to convert it into a number of units and make it available for letting. The Empty Property Grant can contribute to the cost of the works needed to bring the home up to the decent homes standard and incorporate works to make the home safe, secure and affordable to keep warm.

Only landlords who are accredited under the London Landlords' Accreditation Scheme (LLAS) will receive grants. The maximum amount of grant assistance would be dependent upon the size of the resultant units.

The owner of the empty property would be required to let out the property for a period of 3 to 5 years to families nominated by the Council at a rent level below the Local Housing Allowance. Agreement on the length of tenure will be subject to negotiation between the Council and the landlord with value for money for the public purse being the main consideration for the Council.

The grant will be repayable if the property is sold or transferred within a 5-year period, with interest.

Priority will be given to 2 bedroom homes and above that meet building regulations and Health and Housing Standards will be considered.

### **3.4 Other Assistance**

#### **Tower Hamlets Home Improvement Agency**

The Tower Hamlets Home Improvement Agency (THHIA) was set up in 1990 to assist elderly, disabled or low-income homeowners to apply for grants and will also assist eligible Registered Providers in applying for DFGs for their tenants. The agency employs experienced surveyors who can act on behalf of vulnerable residents to supervise building works and also has advisors who can assist in the completion of application forms and other paperwork. This gives vulnerable residents the confidence to have building works carried out in their homes.

There is a charge for this service, 15% of the total net cost of the works, but this can be funded by the grant or the loan, leaving the applicant or Registered Provider with no up-front costs.

The agency maintains a list of approved contractors who provide value for money and guarantee a quality finish. Upon completion of the works the agency will retain a proportion of the money for six months to ensure that, should anything go wrong, the builder will return promptly to put the matter right.

The quality of the service provided to clients is regularly checked through the use of Customer Satisfaction Surveys with a simple multiple choice answer sheet or telephone survey checking not only the actions of the supervising officer but also the contractors performance, time keeping and general behavior.

#### **Landlord Services**

The London Landlord Accreditation Scheme (LLAS) was formally launched at the London Landlords Day in July 2003, with considerable interest from landlords who attended the event. This organisation has now become the United Kingdom Landlord Accreditation Partnership (UKLAP)

Empty Property Grants are only available to UKLAP registered landlords

More information on the scheme can be found at [www.londonlandlords.org.uk](http://www.londonlandlords.org.uk)

# Appendix 1

## Private Sector Housing Renewal Policy

### 1. Disabled Facilities Grants for owner-occupiers

A disabled owner-occupier may apply for a Disabled Facilities Grant for the following purposes:

- Facilitating access to and from the dwelling by the disabled occupant *for example widening doorways and installing ramps*
- Making the dwelling or building safe for the disabled occupant *for example* adapting a room in which it would be safe to leave a disabled person unattended or improved lighting to ensure better visibility
- Access to the principal family room by the disabled occupant
- Access to or providing a bedroom for the disabled occupant *for example installing a stairlift*
- Access to or providing a room containing a bath or shower for the disabled occupant or facilitating the use by the disabled occupant of such a facility *for example providing a level access shower*
- Access to or providing a room containing a WC for the disabled occupant or facilitating the use by the disabled occupant of such a facility
- Access to or providing a room containing a wash hand basin for the disabled occupant or facilitating the use by the disabled occupant of such a facility
- Facilitating the preparation and cooking of food by the disabled person
- Improving or providing a heating system for the disabled person
- Facilitating the use of power, light or heat by the disabled person by altering same or providing additional means of control *for example lowering light switches or raising plug sockets*
- Facilitating access and movement around the dwelling to enable a disabled person to care for someone *for example a spouse or child*
- Facilitating access to an existing garden where feasible.

The disabled person (unless a child under the age of 18) and any partner are means tested to determine the amount of their contribution towards the cost of the work.

Mandatory Disabled Facilities Grants will continue to be available to eligible owner-occupiers and private sector tenants and the maximum mandatory Disabled Facilities Grant is £30,000.

These grants are means tested for all works costing more than £10,000 except for the benefit of a disabled child under the age of 18 where no means test is applied.

Applications for Discretionary Disabled Facilities Grant above the maximum mandatory £30k limit will be considered on a case by case basis by the Home Improvement Agency (HIA) Grants Panel. Approval will be subject to it being identified that the client would not be able raise the necessary funds to complete the works which would then result in the adaptation not being carried out.

In addition the Disabled Facilities Grant can be used for the following purposes:

**Relocation Grants** - Relocation grants would enable the Council to assist homeowners to move to a more suitable property where an in situ solution cannot be provided. Although they are rarely likely to be used, grants could cover removal costs, reconnection fees and legal costs.

**Hospital discharge Grants** – Bed blocking caused when a resident’s home is not suitable for them to return to is both expensive to the NHS and not in the patient’s interest. Using DFG grant for fast track works including deep cleaning, decluttering and minor repairs can speed up this process and potentially save the public purse thousands of pounds.

**Dementia Grants** – Dementia grants can be used to replace gas, electric cooking facilities with microwaves and specialist assistive technology such as GIS tracking devices where appropriate.

### **Assistive technology and equipment**

The Council provides comprehensive assistive technology and equipment services including deaf/blind aids. DFG spend could be used to supplement this service where an unmet demand can be identified.

## **2. Disabled Facilities Grants for tenants**

A disabled private tenant or Registered Provider tenant may apply for a Disabled Facilities Grant for the following purposes:

- Facilitating access to and from the dwelling by the disabled occupant *for example widening doorways and installing ramps*
- Making the dwelling or building safe for the disabled occupant *for example* adapting a room in which it would be safe to leave a disabled person unattended or improved lighting to ensure better visibility
- Access to the principal family room by the disabled occupant
- Access to or providing a bedroom for the disabled occupant *for example installing a stairlift*
- Access to or providing a room containing a bath or shower for the disabled occupant or facilitating the use by the disabled occupant of such a facility *for example providing a level access shower*



- Access to or providing a room containing a WC for the disabled occupant or facilitating the use by the disabled occupant of such a facility
- Access to or providing a room containing a wash hand basin for the disabled occupant or facilitating the use by the disabled occupant of such a facility
- Facilitating the preparation and cooking of food by the disabled person
- Improving or providing a heating system for the disabled person
- Facilitating the use of power, light or heat by the disabled person by altering same or providing additional means of control *for example lowering light switches or raising plug sockets*
- Facilitating access and movement around the dwelling to enable a disabled person to care for someone *for example a spouse or child*
- Facilitating access to an existing garden where feasible

Where the application is a tenant's application, the disabled person (unless a child under the age of 18) and any partner are means tested to determine the amount of their contribution towards the cost of the work.

Mandatory Disabled Facilities Grants will continue to be available to eligible owner-occupiers and private sector tenants and the maximum mandatory Disabled Facilities Grant is £30,000.

These grants are means tested for all works costing more than £10,000 except for the benefit of a disabled child under the age of 18 where no means test is applied.

Applications for Discretionary Disabled Facilities Grant above the maximum mandatory £30k limit will be considered on a case by case basis by the Home Improvement Agency (HIA) Grants Panel. Approval will be subject to it being identified that the client would not be able to raise the necessary funds to complete the works which would then result in the adaptation not being carried out.

In addition the Disabled Facilities Grant can be used for the following purposes:

**Relocation Grants** - Relocation grants would enable the Council to assist homeowners to move to a more suitable property where an in situ solution cannot be provided. Although they are rarely likely to be used, grants could cover removal costs, reconnection fees and legal costs.

**Hospital discharge Grants** – Bed blocking caused when a resident's home is not suitable for them to return to is both expensive to the NHS and not in the patient's interest. Using DFG grant for fast track works including deep cleaning, decluttering and minor repairs can speed up this process and potentially save the public purse thousands of pounds.

**Dementia Grants** – Dementia grants can be used to replace gas, electric cooking facilities with microwaves and specialist assistive technology such as GIS tracking devices where appropriate.

## **Assistive technology and equipment**

The Council provides comprehensive assistive technology and equipment services including deaf/blind aids. DFG spend could be used to supplement this service where an unmet demand can be identified.

Tenants of Tower Hamlets Homes are able to apply for Disabled Facilities Grants but a more streamlined process has been developed between the Occupational Therapist and Tower Hamlets Homes who have a dedicated budget for adaptations.

### **3. Disabled Facilities Grants for landlords**

A private landlord or Registered Provider may apply for a Disabled Facilities Grant on behalf of a disabled tenant, or potential tenant for the following purposes:

- Facilitating access to and from the dwelling by the disabled occupant *for example widening doorways and installing ramps*
- Making the dwelling or building safe for the disabled occupant *for example* adapting a room in which it would be safe to leave a disabled person unattended or improved lighting to ensure better visibility
- Access to the principal family room by the disabled occupant
- Access to or providing a bedroom for the disabled occupant *for example installing a stairlift*
- Access to or providing a room containing a bath or shower for the disabled occupant or facilitating the use by the disabled occupant of such a facility *for example providing a level access shower*
- Access to or providing a room containing a WC for the disabled occupant or facilitating the use by the disabled occupant of such a facility
- Access to or providing a room containing a wash hand basin for the disabled occupant or facilitating the use by the disabled occupant of such a facility
- Facilitating the preparation and cooking of food by the disabled person
- Improving or providing a heating system for the disabled person
- Facilitating the use of power, light or heat by the disabled person by altering same or providing additional means of control *for example lowering light switches or raising plug sockets*
- Facilitating access and movement around the dwelling to enable a disabled person to care for someone *for example a spouse or child*
- Facilitating access to an existing garden where feasible

These grants are means tested for all works costing more than £10,000 except for the benefit of a disabled child under the age of 18 where no means test is applied.

Applications for Discretionary Disabled Facilities Grant above the maximum mandatory £30k limit will be considered on a case by case basis by the Home

Improvement Agency (HIA) Grants Panel. Approval will be subject to it being identified that the client would not be able raise the necessary funds to complete the works which would then result in the adaptation not being carried out.

Applications for Discretionary Disabled Facilities Grant above the maximum mandatory £30k limit will be considered on a case by case basis by the Home Improvement Agency (HIA) Grants Panel. Approval will be subject to it being identified that the client would not be able raise the necessary funds to complete the works which would then result in the adaptation not being carried out.

Applications made by Registered Providers must also demonstrate that no other suitable accommodation is available to transfer the tenant to and that the tenant is not under-occupying the property.

In addition the Disabled Facilities Grant can be used for the following purposes:

**Hospital discharge Grants** – Bed blocking caused when a resident's home is not suitable for them to return to is both expensive to the NHS and not in the patient's interest. Using DFG grant for fast track works including deep cleaning, decluttering and minor repairs can speed up this process and potentially save the public purse thousands of pounds.

**Dementia Grants** – Dementia grants can be used to replace gas, electric cooking facilities with microwaves and specialist assistive technology such as GIS tracking devices where appropriate.

#### **Assistive technology and equipment**

The Council provides comprehensive assistive technology and equipment services including deaf/blind aids. DFG spend could be used to supplement this service where an unmet demand can be identified.

## **4. Home Repair Grants for owner-occupiers**

Home Repair Grants are available to owner-occupiers who have a Category 1 hazard within their premises and are in receipt of a qualifying benefit.

In addition the applicant must:-

- Be aged 18 or over on the date of application
- Live in the dwelling as their only main residence
- Have the power or duty to carry out the works (with the appropriate consents)
- Be an owner-occupier who occupies the dwelling as their only main residence.

The types of works that can be grant aided are:-

- Removal of Category 1 Hazards

Applications for minor repairs and improvements will only be considered where the applicant has owned the dwelling for the last three years. The grant will not normally be available to part fund major works costing over £10,000. The Home Repair Grant will be limited to a maximum of £10,000 per applicant in any five year period.

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.

All grant eligible works must be completed within 4 months of the date of the grant approval.

<b>Income related benefits</b>
Income related means tested benefits including Universal Credit
Attendance Allowance
Disability Living Allowance
Industrial Injuries Disablement Benefit and Constant Care Allowance
War Disablement Pension and Constant Care Allowance
Pension Credit

## 5. Empty Property Grants

Empty Property Grants (EPGs) may be made available to owners of properties that have been empty for at least 6 months including Registered Providers if:

- They own the freehold or a lease with a least 10 years remaining on the dwelling
- They are an individual, a partnership or a Company registered in the United Kingdom
- They intend to make the property available for letting for a period of between 3 and 5 years after the completion of the works, to families nominated by the Council
- They are accredited under the United Kingdom Landlord Accreditation Partnership (formally London Landlord Accreditation Scheme).

The Empty Property Grant could cover the works needed to bring the home up to the decent homes standard (including demolition and re-building) and incorporate works to make the home safe, secure and affordable to keep warm.

The maximum amount of grant assistance would be dependent upon the size of the resultant units and the status of the landlord.

<b>Type of Accommodation</b>	<b>Maximum Grant</b>
One bedroom flat	£20,000
Two bedroom flat or house	£25,000
Three bedroom flat or house	£30,000

The owner of the empty property will be required to let out the property for a period of 3 to 5 years on completion of the works, to families nominated by the Council at a rental level that is below the Local Housing Allowance.

The conditions of this grant are that for the period of 5 years following the payment of an Empty Property Grant the landlord must provide the Council annually with the following documents:

- A certificate for the safety of any gas appliances
- A certificate of safety for the automatic fire detection system
- A certificate for adequate buildings insurance
- A copy of the Tenancy Agreement

All grant eligible works must be completed within 12 months of the date of the grant approval.

To protect the Councils position the landlord would be required to enter into a deed of covenant and a restriction would be registered against the landlord's title at the land registry, or in the case of unregistered land a caution would be registered.

If any of these conditions are breached then the grant will become repayable with interest in line with standard Council terms.

## **6.0 General Grant Entitlement, Conditions and Definitions**

The requirements in this section relates to all discretionary grants.

### **6.1 Eligibility**

- Home Repairs Grant will not be available for Mobile homes or houseboats
- Grant aid will not normally be made available to 'persons from abroad'
- Grant aid will not normally be made to non UK registered companies
- No grant eligible work is to start before approval of the grant, unless written consent is given in writing by the council
- The works must be carried out by a contractor whose estimate formed part of the original grant application

- The ownership details of the applicant must be confirmed by Land Registry records, a lease or tenancy agreement.
- Works that are eligible for funding through an insurance claim will not be grant aided.
- Where the receipt of an income related benefit or tax credits makes an owner eligible for consideration for Home Repairs Grant, this will apply to all owners of the property regardless of main place of residence.

## **6.2 Amount of grant**

- All discretionary grants are subject to the availability of funding
- Reasonable fees for architects, surveyors, engineers and advisors will be included within the amount of grant, where applicable.

## **6.3 Council's Obligations**

- To provide advice about the extent and nature of the owner's financial and other obligations, through a third party if appropriate
- To have regard to the applicants ability to afford any contribution to the grant or repayment of the grant
- To list the conditions of the grant aid with the notification of the approval of the grant.

## **6.4 Payments**

- Interim grant payments will be available at the discretion of the Council and on receipt of an acceptable invoice or supervising officer's valuation certificate.
- Final payments will only be paid upon submission of the Final Accounts and all Certificates and Guarantees. Certificates to be provided for all gas and electrical installations and guarantees for all damp proofing, dry rot and roofing works. Building Control certificates are to be provided where Building Regulations Approval was required
- All grant eligible works must be completed within the stated period from the date of the grant approval.
- Payment will be made to the applicant unless otherwise specified in writing, however, for DFG and HRGs we will usually pay the contractor direct.

## 6.5 Conditions

See individual grants.

## 6.6 Definitions

**Owner-occupier** means the person who, as an owner, occupies the dwelling-house as their main residence.

**Owner** means in relation to any dwelling, means:

- an estate in fee simple absolute in possession, or
- a term of years, under a long tenancy of more than 21 years absolute, of which not less than five years remain unexpired at the date of the application, whether held by the applicant alone or jointly with others

**Landlord** means a person who is the owner of a dwelling which is let to a tenant either as a periodic tenancy or a fixed term tenancy in exchange for rent.

**Private Tenant** means a tenant whose landlord is not a local authority or Registered Provider or other public body.

**Tenant** means a person who occupies a dwelling which is let either as a periodic tenancy or a fixed term tenancy and pays rent to a landlord.

**Dwelling** means a building or part of a building occupied or intended to be occupied as a separate dwelling for habitable purposes, together with any yard, garden, outhouses and appurtenances belonging to it or usually enjoyed with it.

**Infirm** means not physically or mentally strong through age or illness

**Disabled** has the meaning set out in section 100 of the Housing Grants, Construction and Regeneration Act 1996

**Vulnerable households** are defined as people on the qualifying benefits listed in the table below:-

<b>Income related benefits</b>
Income related means tested benefits including Universal Credit
Attendance Allowance
Disability Living Allowance
Industrial Injuries Disablement Benefit and Constant Care Allowance
War Disablement Pension and Constant Care Allowance
Pension Credit

**Person from Abroad** means that the person should be habitually resident in the Common Travel Area i.e. the UK, Republic of Ireland, the Channel Islands and the Isle of Man.



## Appendix 2

### Applications, Determinations, Appeals and Complaints

#### 1. Applications

All applications for grants, loans and other forms of assistance must be made on the relevant application form. These forms are available from:

##### **The Private Housing Improvement Team**

London Borough of Tower Hamlets  
Mulberry Place (Clove Crescent)  
London  
E14 2BG

or they can be downloaded from the Council's website at

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

Assistance is available in translation of the application forms into the main community languages.

In the case of an Empty Property Grant the grant application must include:

- A fully completed and signed application form
- Two itemised and quantified estimates for all the works required to bring the property up to the up to the decent homes standard and for works to make the home safe, secure and affordable to keep warm.
- Particulars of any preliminary or ancillary services and charges
- Proof of ownership
- Particulars of all relevant Building Control and Planning applications and consents

In the case of Home Repair Grants the application must include:

- A fully completed and signed application form
- Two itemised and quantified estimates for all the works required
- Particulars of any preliminary or ancillary services and charges
- Proof of ownership
- Particulars of all relevant Building Control and Planning applications and consents

## **2. Determination**

The Grants Panel will consider all applications for grants and assistance. This Panel will meet on a fortnightly basis and make recommendations to the delegated officer as to how the application should be determined. All grants are subject to budget availability.

Full applications for all types of Home Repair Grants will normally be determined within 20 working days from the date of application.

Full applications for Empty Property Grants will normally be determined within 40 working days from the date of application.

All notifications of decisions will be made in writing to the applicant.

## **3. Appeals**

Appeals about how this Policy Framework is implemented in individual cases, for example where an application for assistance is refused, will be considered by the Service Head – Housing Options

Any appeal must be made within 28 days of the applicant being made aware of the Council's decision.

Appeals must be set out in writing and sent to

**Service Head– Housing Options**  
London Borough of Tower Hamlets  
Mulberry Place (Clove Crescent)  
London  
E14 2BG

The appeal submission must include the specific grounds on which the appeal is based. Appeals will only be considered on the following grounds:

- That the policy has not been applied correctly, or
- That the case in question is exceptional in some way that justifies an exception to the policy.

Appeals will not be considered on the grounds that the appellant simply disagrees with the policy. However, any written comments and complaints about the Policy Framework will also be considered as described below.

A written response to an appeal will be given within 28 days. If the Service Head believes that the case is exceptional, or at least merits further consideration, it will be referred to the Corporate Director of Place along with recommendations and options where appropriate. The Corporate Director of Place in consultation with the

Lead Member for Housing may then authorise a grant or other assistance as an exception to the general policy.

## **4. Complaints**

Tower Hamlets strives to provide good quality services for everyone. So we take complaints seriously because they highlight the problems with our services and what we should do to improve things.

We hope to be able to settle your complaint quickly and informally at your first point of contact. Where this is not possible, the rest of this section explains our three-stage complaint procedure.

You can get leaflets and complaints forms explaining this procedure from your nearest One Stop Shop, Tower Hamlets Town Hall, IDEA Stores and libraries.

Anyone who is receiving a service from the council can make a complaint. You can complain about not being treated fairly or properly, or if we have not done what we promised in the right time and to the right standard.

### **Stage 1**

It is best to discuss the problem with the staff concerned or their manager. This should be the fastest and most effective way to resolve your problem.

### **Stage 2**

Make a formal complaint, preferably in writing. You can get a form from council offices, Tower Hamlets Town Hall and libraries. Once you have filled it in, you can hand it in at any council reception point. If you find it difficult to fill in a form, please ask for help from your most convenient council office. You may also complain by telephone.

### **Stage 3**


If you are not satisfied with the written response to your complaint at Stage 2, you may appeal to the Corporate Complaints Service, who will begin an independent review. You must appeal in writing to the Corporate Complaints Service, Mulberry Place, 5 Clove Crescent, London E14 2BG within 20 days of the Stage 2 reply. At Stage 2 and 3, we make a commitment to acknowledge your complaint within two working days and reply within 20 working days. We will advise you if we cannot complete the investigation within this time and explain why.

### Appendix 3 - Scheme of Delegation

<b>Decision</b>	<b>Level of Authority</b>
Major Changes to Private Sector Renewal Policy	Mayor in Cabinet
Capital Budget allocation	Mayor in Cabinet
Minor modifications to Private Sector Renewal Policy	Corporate Director for Place and the Lead Member for Housing
Exceptions to the Private Sector Renewal Policy based on the criteria set out in the Policy Framework	Corporate Director for Place and the Lead Member for Housing
Waiver of grant conditions	Head of Service – Place
Approval of Grants up to £6,000	Housing Strategy Manager and Chair of PHIT Grants Panel
Approval of Grants from £6,000 to £30,000	Section Head - Private Sector and Affordable Housing Manager
Approval of Grants over £30,000	Divisional Director For Strategy, Regeneration and Sustainability
Extension of period of grant availability	Section Head - Private Sector and Affordable Housing Manager
Decision to Compulsory Purchase an empty property	Mayor in Cabinet





<p><b>Cabinet</b></p> <p>20 March 2018</p>	 <p><b>TOWER HAMLETS</b></p>
<p><b>Report of:</b> Ann Sutcliffe, Acting Corporate Director, Place</p>	<p><b>Classification:</b> Part Exempt (Appendix 1)</p>
<p><b>The impact of short-term holiday platform lets</b></p>	

<b>Lead Member</b>	<b>Councillor Sirajul Islam, Cabinet Member for Housing</b>
<b>Originating Officer(s)</b>	Marc Lancaster, Private Sector Housing Policy Officer
<b>Wards affected</b>	All wards
<b>Key Decision?</b>	Yes
<b>Community Plan Theme</b>	<b>A great place to live</b>

## Summary

Any residential premises in London let as a holiday home for less than 90 nights during a calendar year has since October 2015 no longer needed planning consent for a change from residential to commercial use. Such permission *is* still needed where short-term letting takes place over more than 90 nights in a year. Anyone letting without required permission is liable on conviction for an unlimited fine. However, evidential requirements mean that Local Authorities have been unable to enforce this 90 night limit.

In the last two years, the number of London properties listed every year on Airbnb has nearly tripled, to more than 50,000. There are at least 40,000 London properties listed on other platform sites. This market is particularly intense in Tower Hamlets: in the year to March 2017 there were more Airbnb bookings in Tower Hamlets than any borough except for Westminster. Holiday lettings are concentrated around Brick Lane and around Canary Wharf. In many cases lettings are carried out not on an occasional basis by residents but year-round by holiday let businesses.

This represents a loss of residential accommodation in the borough as landlords shift properties into the short-term letting market. Evidence also strongly suggests that it causes a nuisance for residents, undermining community cohesion and contributing to antisocial behaviour.

## **Recommendations:**

The Mayor in Cabinet is recommended to:

1. Apply to the Secretary of State for Housing to exempt from the 90-day permission those parts of the borough that are most severely affected by the growth of short-term letting
2. Work at a leadership level with MPs, the GLA, Local Authorities negatively affected by the growth of short-term letting, and other stakeholders to lobby Government for legislative change
3. Develop a substantial communications plan around short-term holiday lets using social, on-line and traditional media in order to deter unlawful holiday letting and to support to the council's lobbying objectives
4. Ensure that work is carried forward by Tower Hamlets Homes and by THHF to ensure that Registered Providers enforce lease restrictions against all leaseholders who operate 'Airbnb businesses'
5. Establish a working group to establish lead responsibility and a multi-agency response to problematic short-term letting including through enforcing health and safety, tax, and insurance compliance
6. Set up an on-line system by which residents affected by short-term letting can log with the Council addresses and dates where those lettings take place
7. Develop policy on Community Protection Notices that includes their use for problematic short-term letting, and delegates power to Registered Providers in order that they can serve them on short-term letting providers rather than their licensees

## **1. REASONS FOR THE DECISIONS**

- 1.1 The exponential growth over the last two years in the use of holiday letting platforms has led to a relatively small but significant loss of residential housing in Tower Hamlets. Profits from unregulated holiday lets can considerably exceed those from residential letting.
- 1.2 There is evidence that short-term holiday letting is also linked to anti-social behaviour, nuisance, and in some cases criminality. These factors have been raised strongly by Registered Providers in the THHF working group on leasehold landlords, and by officers in Town Centres Teams. During its evidence sessions on the Night Time Economy, the Economy Scrutiny



Committee heard evidence suggesting that properties in the Borough have been rented out using sharing economy services, and that this had created problems in residential areas, with the properties being let for weekends to groups who used the properties to hold weekend-long parties, with ASB impacts on neighbouring properties within street and buildings.

- 1.3 There have been cases in the Brick Lane area of properties rented through holiday platform sites for prostitution and drug dealing. Short term lettings on City Island were used for sex and drug-taking parties and raided by the police
- 1.4 Limiting the area in which we are seeking an exemption gives more chance of success: government guidance indicates that it is intended as a targeted response.
- 1.5 It should be noted that any exemption would **not** be intended to prevent residents letting their home on a short-term basis: it would just require them to ask the council for permission before doing so. This in turn would make it possible for the council to plan and control the nature of short-term letting, preventing the loss of homes and minimising any loss of amenity.

## **2. ALTERNATIVE OPTIONS**

- 2.1 The Council could take the view that there is no case for attempting to regulate or restrict the market. Firstly, many residents value the fact that they can use sites such as Airbnb to let out their homes when they are away for short periods – or to let out rooms in their home for short periods. Actions to regulate the market may restrict their capacity to do this, or may be perceived to restrict it, and may therefore be unpopular and unwelcome. Secondly, many visitors to the borough like the freedom and ‘authenticity’ associated with staying in residential-style accommodation: restricting its availability could damage the tourist economy. Thirdly, there does not appear to be any direct financial benefit to the Council in regulating abuses of the market; indeed, there may be a financial cost associated.
- 2.2 The Council could decide that efforts to regulate the market should be focused solely on campaigning for a change in the law and for backing the Mayor of London’s efforts to work with the industry. The council could take the view that as the legislation stands, there is no realistic scope for effective enforcement when set against the size of the profits available from breaking the law.
- 2.3 Cabinet could decide to apply to the Secretary of State for Housing for exemption from the Deregulation Act across the borough. This is likely to be received unfavourably: guidance and the experience of Westminster suggest that any successful application would need to be tightly focused and evidenced. However, such an application may be popular and could serve a lobbying end.

### **3. DETAILS OF REPORT**

#### **Legislation and regulation**

- 3.1 Under the Greater London Council (General Powers) Act 1973, short-term rentals in London are subject to a planning restriction making the use of residential premises as temporary sleeping accommodation a “material change of use” for which planning permission is required. The Deregulation Act 2015 introduced an exception to this restriction allowing residential premises to be used for temporary sleeping accommodation – provided that such use does not exceed 90 nights a year, and that at least one of the “hosts” who provided the accommodation was liable to pay council tax.
- 3.2 The Deregulation Act also provides that Local Authorities can apply to the Secretary of State for the 90-day exemption to be lifted in a defined area. An exemption would be the only policy route through which short term rental properties could be further regulated. Local Planning Policy or Supplementary Guidance would have to be in conformity with the current national policy approach, which is to allow residential premises to be used for temporary sleeping accommodation as outlined in 3.1 above.
- 3.3 To date, Westminster City Council is the only authority to have applied, and their application was rejected in May 2016.
- 3.4 Owners of properties not liable for council tax or who without planning permission have let the accommodation on a short-term basis but for more than 90 nights can be fined an unlimited amount. The DCLG were explicit that the exemption in the 2015 Act intends to help residents wishing to let out rooms or the entirety of their own home for short periods – not to provide opportunities for the commercial sector<sup>1</sup>.
- 3.5 On 21 March 2017 Karen Buck MP presented a Private Members Bill to require registration of short or holiday lets with Local Authorities. The Bill was presented with the support of other MPs including Jim Fitzpatrick and Rushanara Ali. However, because of the General Election and dissolution of Parliament from 3 May 2017, the Bill fell and no further action could be taken.
- 3.6 On 13 December 2017 Karen Buck MP presented the Bill again as a Private Member’s Bill. It is expected to have its second reading debate on Friday 15 June 2018. The Bill would require householders to notify local authorities of an intention to register accommodation for short or holiday lets; and for connected purposes.

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<sup>1</sup> DCLG (February 2015): *Promoting the sharing economy in London: Policy on short-term use of residential property in London*

### **The scope of short-term holiday letting**

- 3.7 In the year to March 2017 there was a 60 per cent increase in the number of listings on Airbnb in London. 51 per cent of all lettings were for an entire home: entire home listings rose 54 per cent to 27,175 in the same period.
- 3.8 Five boroughs accounted for more than half of all Airbnb bookings in London during the year to March 2017, as well as the majority of the city's Airbnb supply at almost four million listings: Westminster, Tower Hamlets, Camden, Kensington & Chelsea and Hackney.
- 3.9 Even within these boroughs listings are highly clustered, with many areas of relatively little activity and a few hotspots where there are over 1,000 listings within a 1km radius. The biggest of these hotspots in London forms a corridor from Hoxton down to Aldgate incorporating the Shoreditch and Brick Lane area.
- 3.10 In the year to March 2017 there were more Airbnb bookings in Tower Hamlets than any borough except for Westminster.
- 3.11 As well as the market leader, Airbnb, there are also many other short-term lettings platforms including VBRO, HomeAway, Booking.com, and Wimdu.
- 3.12 Further, there are companies specialising in short-term lets that own - or lease and manage - second homes in the borough: Skyline Worldwide Accommodations, Go Native, Premier Apartments London, and Apple Apartments, for example, between them manage 110 apartments in Tower Hamlets.
- 3.13 Appendix 1 shows the extensive and increasing use of residential housing in Tower Hamlets for short-term holiday letting since 2015, and that this market is highly professionalised. Data in Appendix 1 suggest strongly that these factors are leading to a loss of residential housing.

### **Airbnb, the GLA and the collaborative approach**

- 3.14 Following pressure from the GLA, Airbnb announced on 1 December 2016 that it would enforce the law by removing from its site *entire homes* that had been let for 90 days in a calendar year – unless the 'host' had official consent. GLA Assembly Member Tom Copley said: "Airbnb have engaged constructively since I raised this with the Mayor a couple of months ago. I now call on other short-term letting websites to do the same."
- 3.15 Since January 2017, then, Airbnb have operated a 'dashboard' warning system that advises 'hosts' to seek permission from their Local Authority as soon as their property has been let for 75 nights in the calendar year. If the 'host' does not confirm that they have received planning permission, their letting is removed from the Airbnb site after 90 nights. Since April 2017, such removals have been taking place.

- 3.16 In a letter of 8 February 2018 to Mayor John Biggs, Airbnb state that since introducing limits in January 2017, the number of hosts in London exceeding 90 nights has dropped from 23 percent to 7 percent. It should be noted that this still represents around 5,250 hosts.
- 3.17 Airbnb have agreed to pass information to Tower Hamlets and four other authorities on 'hosts' who claim to have permission to let for more than 90 nights in order that officers can confirm whether permission has been granted. However, before providing this information they have required a very substantial specification of the council's IT systems which officers are currently attempting to complete.
- 3.18 It should be noted that to date no permission has been granted to change from a residential planning category to one permitting short-term letting for more than 90 nights in a year.
- 3.19 Airbnb have stated that they are not prepared to share with Local Authorities details of 'hosts' who have reached 90 nights letting and then withdrawn their property from the Airbnb site. In the absence of that information, enforcement is almost impossible against operators who simply move to another site. However, Airbnb have indicated that they would be likely to share information where a Planning Enforcement Notice has been issued.
- 3.20 Airbnb state that they have put in place measures including image recognition software to ensure that 'hosts' are not able to circumvent their ban by relisting properties under different designations.
- 3.21 Airbnb have this year introduced a 'Neighbour Tool' onto their website which allows neighbours to report to them concerns about any Airbnb letting.
- 3.22 Airbnb state that they rigorously bar 'hosts' and 'guests' who cause significant nuisance from using their site again. Airbnb have introduced 'responsible guest guides' in a further attempt to reduce nuisance and antisocial behaviour in their lettings.
- 3.23 There is significant evidence that when a short-term landlord reaches the 90 day limit on Airbnb, they simply migrate to another site. In their letter to Mayor John Biggs of 8 February, Airbnb highlight new data showing that there are at least 40,000 listings on other platforms in London; and that Booking.com saw a 50% increase in short term rental listings between December 2016 and January 2017 in London.
- 3.24 Airbnb have formed the Short-Term Accommodation Association (STAA). The STAA are promoting their work towards self-regulating industry. However, only a relatively small number of other platforms have joined.
- 3.25 In February 2017, the Mayor of London Sadiq Khan wrote to holiday letting platforms to ask for self-regulation on the lines of Airbnb's 90 day limit. He then met with a number of them. These reportedly argued that self-regulation

would be impossible because unlike Airbnb they operate solely as ‘match makers’ and do not monitor the outcome of their ‘introductions’.

- 3.26 Airbnb are lobbying for a licensed operator scheme in London.
- 3.27 The Mayor of London’s Draft Housing Strategy addresses the issue only briefly: “The Mayor welcomes the rise of the sharing economy, and supports the right of Londoners to use online lettings sites to rent their homes out for short periods of time. However, this right needs to be balanced against the impact that shorter term lets can have on certain local communities and on the supply of permanent private rented housing. The Mayor will work with councils to encourage all short term lettings operators in London to enforce the 90 day limit, and will work with the industry to develop an information-sharing protocol or other measures to support council enforcement of the law”.
- 3.28 At a meeting with Councillor Islam on November 2017, the British Hospitality Association expressed scepticism about the efficacy of self-regulation, suggesting that in cities across the world the offer of self-regulation has been part of a pattern to prevent or at least delay effective regulation.

### **The issue and responses in the City of Westminster**

- 3.29 The impact of short-term holiday letting is particularly intense in the Westminster City Council area and has been for many years.
- 3.30 In the 15 years before the Deregulation Act, Westminster’s Planning Enforcement Team dealt with 7,362 enforcement cases against short-term letting through a dedicated Short Term Letting Team of six members of staff.
- 3.31 In October 2015, just as the Deregulation Act 2015 came into force, Westminster City Council applied to the then Housing Minister Brandon Lewis to exempt two wards and sixteen blocks in other wards from the 90 day permission.
- 3.32 Brandon Lewis rejected the application in May 2016 on the basis that it would in his opinion unfairly penalise those homeowners who were acting within the law. In a letter to Westminster City Council he suggested that they resubmit the application having addressed the concerns he raised. With the change in Government, and more immediate pressures at the time, Westminster have not reapplied.
- 3.33 On 8 November 2017 Westminster CC’s leader announced a new strategy with three components: lobbying government to introduce a “tax” on short term letting to mitigate the council’s costs; a team of four officers to provide proactive intelligence to the existing Short Term Let Team; and an approach to the Great Estates landowners to ensure that in communal buildings they own, all letting is lawful and responsible, and that inconsiderate leaseholders/landlords are dealt with appropriately.

- 3.34 In February 2017 Karen Buck MP for Westminster North published the results of her survey into constituents' experience of short term lettings, undertaken during October and November 2016. 80% thought that it should be easier to enforce the rules that properties should not be let out for more than 90 days. 81% had experience of a neighbouring properties being rented out on a holiday or short-let basis; 55% had experienced problems with that.

### **Enforcement and regulation in Tower Hamlets**

- 3.35 Planning Officers have taken no action to enforce against any breaches of the 90 day rule. Planning enforcement notices are served on the balance of probabilities – but the enforcement, and the possibility of challenge, present significant evidential difficulties.
- 3.36 Planning Officers have not granted any change of use permissions in relation to holiday letting. The Planning Inspectorate recently found in LB Tower Hamlet's favour in an appeal against our refusal to give permission for a dwelling to change its use category to a holiday let. The Inspectorate found that refusal was justified on the basis that the loss of accommodation would be inappropriate. There is therefore a good basis to refuse such changes of use as a policy position.
- 3.37 In November 2017 information about short-term letting was added to the council's website.
- 3.38 A THHF Working Group looking at private letting by leaseholders has identified holiday letting as a significant issue in terms of nuisance, ASB, and criminality. Recommendations on more robust lease enforcement are being drafted for the THHF Executive.
- 3.39 Officers have identified a number of blocks in and around Brick Lane where short term letting is clearly taking place on a permanent basis and are considering a targeted response. However, Planning Service contends that there is currently inadequate capacity to take effective enforcement action on the scale required. This is because each short term letting unit is a separate planning unit in itself that would have a 90 day period of lawful short term letting. In order to ascertain whether each dwelling unit or flat in a development is unlawfully let on a short term basis regular monitoring on each unit in the building will be required to demonstrate unlawful short term usage for more than 90 days in a calendar year.

## **4. COMMENTS OF THE CHIEF FINANCE OFFICER**

- 4.1 This report provides an update on the implications of short term holiday letting on the supply of residential housing within the borough, and in particular the work being progressed by members of the Tower Hamlets Housing Forum (THHF) to attempt to enforce lease restrictions to control this activity within their own stock.

4.2 In addition to the responsibilities in respect of its own dwellings, the Council has a regulatory role in relation to all properties within the borough. The report asks the Mayor in Cabinet to consider a number of options in respect of the regulatory function, some of which will require financial resources. These include initiatives in respect of enforcement and court action, the potential establishment of an on-line reporting system, and publicity and information campaigns. In relation to its own stock, funding will need to be met from the Housing Revenue Account, with the wider regulatory role being charged to the General Fund. These costs will need to be funded from within existing Council resources.

## **5. LEGAL COMMENTS**

5.1 Section 25 of the Greater London Council (General Powers) Act 1973 ('the 1973 Act') provided that short-term rentals in London are subject to a planning restriction making the use of residential premises as temporary sleeping accommodation a "material change of use" for which planning permission is required. Subsequently the Deregulation Act 2015 amended the 1973 Act and introduced an exception to this restriction allowing residential premises to be used for temporary sleeping accommodation – provided that such use does not exceed 90-nights per calendar year, and that at least one of the "hosts" who provided the accommodation was liable to pay council tax.

5.2 Where there is a breach of the 90-nights rule, enforcement action can be taken. There is a range of ways of tackling alleged breaches of planning control, and the Council is required to act in a proportionate way. The Council has discretion to take enforcement action, when it is regarded as expedient to do so having regard to the development plan and any other material considerations. In considering any enforcement action, the local planning authority has regard to the National Planning Policy Framework.

5.3 The 1973 Act was also amended so that the local planning authority may direct that the 90-nights exemption is not to apply to particular residential premises specified in the direction; or to residential premises situated in a particular area specified in the direction. This is as provided by section 25A. Such a Direction can only be made with the consent of the Secretary of State however.

5.4 There are no Regulations specifying the process to be followed but Guidance on the Government's website provides that the Secretary of State will consider each application for consent from a local authority on its merits, and all arguments are taken into account before a decision is made but directions may only be given if it is necessary to protect the amenity of the locality. A direction is likely to be necessary to protect the amenity of the locality where:

- there has been successful action against a statutory nuisance related to short-term letting; or,
- there has been successful enforcement action against a breach of section 25 or 25A of the 1973 Act.

- 5.5 The Guidance also provides that the term “successful action” means that the notice has come into force and the person responsible has not complied within the relevant time period, and that there is no on-going appeal
- 5.6 With reference to recommendation 7, this is to develop a Policy that will be subject to a separate report back to Members for the adoption of a Policy and detailed legal comments will be given in such report. In the meantime, Community Protection Notices (CPNs) are designed to stop a person aged 16 or over, business or organisation committing antisocial behaviour (ASB) which spoils the community's quality of life. On the basis that the report states that there is evidence that short-term holiday letting is also linked to anti-social behaviour, nuisance, and in some cases criminality, then CPN use may be appropriate. A CPN can be issued by Council officers, police officers, police community support officers (PCSOs) or social landlords, if designated by the Council.
- 5.7 Before a CPN can be issued, the person, business or organisation suspected of causing the problem must be given a written warning stating that a community protection notice will be issued unless their conduct changes and ceases to have a detrimental effect on the community. The warning must also detail that a breach of a CPN is a criminal offence. Further, any decision to serve a CPN has to be taken in accordance with the Council's Enforcement Policy and be both necessary and proportionate.

## **6. ONE TOWER HAMLETS CONSIDERATIONS**

- 6.1 There is a risk to social cohesion as long-term residents become more and more exposed to the churn of guests staying in flats on their estates. Similarly, the high proportion of elderly Tower Hamlets residents living on social housing may experience increased fear of crime and sense of isolation from a flux of short-term visitors around them.
- 6.2 The loss of affordable housing has a disproportionate impact on groups who are financially excluded – disproportionately groups with protected characteristics.

## **7. BEST VALUE (BV) IMPLICATIONS**

- 7.1 Responding to the challenges of regulating the short term lettings market is likely to incur additional costs that won't be recoupable. The benefits of taking action in order to increase the supply of the traditional rented market and potential reduction in anti-social behaviour would need to be weighed against these additional costs.



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

- 8.1 Regulating the unlawful platform lettings market may reduce the energy footprint of visitors to the borough by moving them into hotel accommodation rather than poorly converted residential accommodation.

## **9. RISK MANAGEMENT IMPLICATIONS**

- 9.1 There are increased risks for residents around flats used for short-term holiday letting. This includes risks of accidental fire, water, and electrical damage, as well as the risk of deliberate damage.
- 9.2 It could be argued that in light of the significant number of homes lost to short-term rentals in Tower Hamlets, and of the risks set out above, it would be negligent of the Council to fail to take action.
- 9.3 Standard home insurance is not suitable for holiday lets: short-term holiday letting requires specialist insurance covering public liability, accidental damage and loss of rent. Insurance would also need specifically to cover periods of unoccupancy: nearly one in five claims made on holiday rental buildings and contents insurance is for damage caused by escape of water.
- 9.4 The Regulatory Reform (Fire Safety) Order 2005 makes all short-term holiday 'hosts' responsible for taking steps to protect the people using their premises from the risk of fire including by carrying out a fire risk assessment and if necessary, improving fire safety measures. It is possible that some 'hosts' are unlikely to have complied may have an impact on insurance.
- 9.5 Airbnb's own Host Protection Insurance is designed to protect all listed hosts from liability in case guests cause property damage. However it is 'secondary' insurance and Airbnb ask their 'hosts' to insure themselves. Some 'hosts' may have adequate insurance, increasing the risk of loss to the residential tenants and leaseholders around the holiday let. Many social housing tenants on low incomes are uninsured, and in the event that they suffer loss related to holiday lets their capacity to get redress will be significantly undermined if holiday let landlords are not properly insured. It is likely that landlords' insurance – including buildings insurance – will be robust enough to cover unlawful subletting in their estates.

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

- 10.1 Environmental Health officers and management have stated that Airbnb-style lettings are responsible for a significant amount of noise nuisance. 'Airbnb parties' – where a flat is rented for a weekend, specifically for a party – are evident. However, at present this is anecdotal: there is no hard data because instances related to holiday lettings are not specifically recorded by Officers. Polar HARCA, Swan, THH, and East End Homes have all identified holiday letting on their estates an issue for identical reasons.

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## **Linked Reports, Appendices and Background Documents**

### **Linked Report**

- The Economy Scrutiny Committee's Scrutiny Review Report *Creating a Balanced Night Time Economy in Tower Hamlets*, September 2017

### **Appendices**

- Appendix 1: **The scope of short-term holiday letting in Tower Hamlets - EXEMPT** – (This is due to it containing information relating to the financial affairs of an individual or body – Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972)

### **Local Government Act, 1972 Section 100D (As amended)**


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

List any background documents not already in the public domain including officer contact information.

- NONE.

#### **Officer contact details for documents:**

- N/A

<p><b>Cabinet</b></p> <p>20 March 2018</p>	
<p><b>Report of:</b> Ann Sutcliffe, Acting Corporate Director, Place</p>	<p><b>Classification:</b> Unrestricted</p>
<p><b>All-Zone Multi-Purpose Permits for Car Clubs – Amendment to Permitted Bays</b></p>	

<b>Lead Member</b>	<b>Cabinet Member for Environment - Councillor Amina Ali</b>
<b>Originating Officer(s)</b>	Colin Sims, Senior Parking Business Officer Nicole Layton
<b>Wards affected</b>	All Wards
<b>Key Decision?</b>	No
<b>Community Plan Theme</b>	<b>A Great Place to Live</b>

### Executive Summary

On 26 July 2016 Cabinet approved the implementation of all-zone multi-purpose permits for use by car club companies whose business model was for their vehicles to be picked up and/or dropped off at any location in Tower Hamlets or other participating authorities.

It has been noted that excluding pay & display bays would prevent drivers from parking near shopping facilities and would adversely affect the amount of parking bays available for residents and businesses. Officers therefore propose to allow vehicles with these permits to park in pay & display bays as well.

In order to react promptly to any parking issues posed by the scheme, it is also proposed that any further amendments to the scheme be implemented under the authorisation of the Head of Parking & Mobility Services.

### Recommendations:

The Mayor in Cabinet is recommended to:

1. Approve the amendment to the Scheme for inclusion of all bays in which parking can be purchased either by a ticket from a machine or by the Council's cashless parking provider to include all-zone multi-purose permits for car club companies.
2. Delegate authority to the Head of Parking & Mobility Services to amend the types of bay in which car club vehicles may park or the areas of the borough in which the scheme can operate.

## **1. REASONS FOR THE DECISIONS**

- 1.1. These proposals are being made in order to ensure that current policies are in line with the Mayor's manifesto commitments, the Council's transport policies and government guidance.
- 1.2. These proposals are also intended to further improve public perception and transparency in parking operations.
- 1.3. Parking policies are used to define the operational balance between public safety, controlling the level of demand for parking, promoting more sustainable methods of travel and meeting residents and business aspirations for ease of vehicular parking.

## **2. ALTERNATIVE OPTIONS**

- 2.1. Without amending this policy the service may be unable to ensure that the Mayor's and the Council's priorities are effectively delivered.
- 2.2. Furthermore, these proposals will ensure that the agreements with car club operators in the borough will be consistent with agreements between other local authorities and car club operators, thereby reducing the potential for confusion.

## **3. DETAILS OF REPORT**

### **3.1. Inclusion of Pay & Display Bays in the Scheme**

- 3.1.1. In this report the term "pay & display bay" is used to refer to any bay in which parking can be purchased either by a pay & display ticket from a machine or by the Council's cashless parking provider.
- 3.1.2. At the time of the July 2016 report, officers were concerned that use of these permits in pay & display bays would reduce the availability of those spaces to visitors. Having discussed the matter further with other local authorities and car club companies, however, there has been no evidence of significant impact on pay & display bays.
- 3.1.3. It has also been noted that excluding pay & display bays would prevent drivers from parking near shopping facilities and would adversely affect the amount of parking bays available for residents and businesses.
- 3.1.4. Furthermore, the inclusion of pay & display bays is consistent with agreements that other local authorities have made with car club companies and will result in less confusion for motorists.

### 3.2. Authorising the Head of Parking & Mobility Services to Amend the Scheme

- 3.2.1. In collaboration with the car club operators, Parking & Mobility Services will regularly monitor the effects of the scheme on parking availability. Although it is not currently envisaged that there will be any major issues, the Service may need to investigate complaints or issues with the scheme with respect to particular areas in the Borough or types of parking bay and act promptly to rectify the issues if necessary.
- 3.2.2. It should be noted that, under the terms of the agreements with car club operators, areas of the Borough that experience particularly high parking pressure (such as Brick Lane) can be excluded from the scheme.
- 3.2.3. In order to be able to act promptly, it is proposed that the Head of Parking & Mobility Services be authorised:
- to include or exclude any and all bay types in the scheme; and
  - to add or remove areas of the borough in the exclusion list, without requiring approval from Cabinet.

## 4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1. This report seeks the approval of the Mayor in Cabinet to amend the current policy to include an all-zone multi-purpose permit for car club companies. The amendment proposed along with the delegation of authority for future amendments, will ensure that the scheme is operated consistent with other authorities and in line with the Mayor's manifesto commitments, transport policies and government guidance. The approval of the proposal is not expected to impact on the parking income generated from operations.

## 5. LEGAL COMMENTS

- 5.1. The Council is a parking authority for the purpose of the Road Traffic Regulation Act 1984 ('the 1984 Act'). Under sections 45 and 46 of the 1984 Act, the Council may by order: (1) designate parking places on highways in Tower Hamlets for vehicles or vehicles of any class specified in the order; (2) make charges for vehicles left in a parking place so designated; (3) limit the use of designated parking places for specified persons or vehicles or classes of persons or vehicles authorised by permit; and (4) make charges in connection with the issue of such permits. The Council can therefore make the required change.
- 5.2. As to delegating authority to the Head of Parking and Mobility Services to make changes as outlined in paragraph 3.2.3 of the report, Such delegations can be made pursuant to section 101 of the Local Government Act 1972.
- 5.3. When deciding whether or not to proceed with the proposals, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't (the public sector equality duty). To inform the Council in

discharging this duty an Equalities Checklist has been completed and a copy is attached to this report as Appendix 1.

## **6. ONE TOWER HAMLETS CONSIDERATIONS**

- 6.1. The proposals will have a positive or neutral impact on equalities and diversity as they will establish a fairer and more transparent and consistent policy.
- 6.2. An Equalities Checklist has been attached as Appendix 1.

## **7. BEST VALUE (BV) IMPLICATIONS**

- 7.1. The proposals are consistent with and support the Council's Best Value duties.

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

- 8.1. The proposals have been considered in line with the Council's Local Implementation Plan priorities to promote sustainable transport choices, reduce the impact of transport on the environment and to encourage sustainable travel behaviour. They support Air Quality and carbon reduction objectives.

## **9. RISK MANAGEMENT IMPLICATIONS**

- 9.1. Risks will be managed in accordance with the Council's risk management procedures and project management arrangements.

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

- 10.1. The proposals have been made in order to improve the efficiency of parking and traffic enforcement in Tower Hamlets. Fraud prevention is a feature of the recommendations where appropriate.

## **11. SAFEGUARDING IMPLICATIONS**

- 11.1. Maintaining the free flow of traffic, enabling parking for carers and vulnerable adults whilst ensuring a safer environment for all road users has a positive impact on safeguarding.

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## **Linked Reports, Appendices and Background Documents**

### **Linked Report**

- Cabinet, Tuesday 26 July 2016, Item 5.1: Parking CPZ Policy Review Project, Section 3.11

### **Appendices**

- Appendix 1 – Equalities Checklist

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

- NONE

**Officer contact details for documents:**

- N/A

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## EQUALITY ANALYSIS QUALITY ASSURANCE CHECKLIST

<b>Name of 'proposal' and how has it been implemented</b> (proposal can be a policy, service, function, strategy, project, procedure, restructure/savings proposal)	<b>All-Zone Multi-Purpose Permits for Car Clubs – Amendment to Permitted Bays</b>
<b>Directorate / Service</b>	<b>Place / Parking &amp; Mobility Services</b>
<b>Lead Officer</b>	<b>Anita Haylock</b>
<b>Signed Off By (inc date)</b>	<b>Michael Darby, 15 January 2018</b>
<b>Summary – to be completed at the end of completing the QA (using Appendix A)</b> (Please provide a summary of the findings of the Quality Assurance checklist. What has happened as a result of the QA? For example, based on the QA a Full EA will be undertaken or, based on the QA a Full EA will not be undertaken as due regard to the nine protected groups is embedded in the proposal and the proposal has low relevance to equalities)	<div style="display: flex; align-items: center;"> <div style="width: 20px; height: 20px; background-color: #00b050; margin-right: 10px;"></div> <div> <p><b>Proceed with implementation</b></p> <p>As a result of performing the QA checklist, the proposal does not appear to have any adverse effects on people who share <i>Protected Characteristics</i> and no further actions are recommended at this stage.</p> </div> </div>

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Stage	Checklist Area / Question	Yes / No / Unsure	Comment (If the answer is no/unsure, please ask the question to the SPP Service Manager or nominated equality lead to clarify)
<b>1</b>	<b>Overview of Proposal</b>		
a	Are the outcomes of the proposals clear?	Yes	This is an amendment to a scheme approved by Cabinet in July 2016.
b	Is it clear who will be or is likely to be affected by what	Yes	The impact of this proposal on the groups is mostly neutral. It


	is being proposed (inc service users and staff)? Is there information about the equality profile of those affected?		will ensure consistency with other boroughs and make the service more open and transparent.
<b>2</b>	<b>Monitoring / Collecting Evidence / Data and Consultation</b>		
a	Is there reliable qualitative and quantitative data to support claims made about impacts?	Yes	The following evidence has been examined to think about the likely impacts on service users: <ul style="list-style-type: none"> <li>• Service user levels</li> <li>• Benchmarking from neighbouring and similar London local authorities</li> <li>• LBTH demographics</li> <li>• Complaints</li> </ul>
	Is there sufficient evidence of local/regional/national research that can inform the analysis?	Yes	See above.
b	Has a reasonable attempt been made to ensure relevant knowledge and expertise (people, teams and partners) have been involved in the analysis?	Yes	See above.
c	Is there clear evidence of consultation with stakeholders and users from groups affected by the proposal?	Yes	The service will consult stakeholders if required to do so and agreed by the executive.
<b>3</b>	<b>Assessing Impact and Analysis</b>		
a	Are there clear links between the sources of evidence (information, data etc) and the interpretation of impact amongst the nine protected characteristics?	Yes	As the proposal amends a scheme that has already been approved by Cabinet, the same analysis of the current practice/situation, potential impact and proposed options are applicable.
b	Is there a clear understanding of the way in which proposals applied in the same way can have unequal impact on different groups?	Yes	See above.
<b>4</b>	<b>Mitigation and Improvement Action Plan</b>		
a	Is there an agreed action plan?	Yes	No action plan has been identified as being required.
b	Have alternative options been explored	Yes	Do nothing option was considered.
<b>5</b>	<b>Quality Assurance and Monitoring</b>		


a	Are there arrangements in place to review or audit the implementation of the proposal?	Yes	The service collects information on the uptake of services by users. They will be able to monitor any changes through these processes. Also, the service is planning to develop a system to monitor the impact of the proposals on the different groups.
b	Is it clear how the progress will be monitored to track impact across the protected characteristics??	Yes	As above.
<b>6</b>	<b>Reporting Outcomes and Action Plan</b>		
a	Does the executive summary contain sufficient information on the key findings arising from the assessment?	Yes	The main body of the report contains necessary information.

## Appendix A

### (Sample) Equality Assessment Criteria

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Decision	Action	Risk
As a result of performing the QA checklist, it is evident that due regard is not evidenced in the proposal and / or a risk of discrimination exists (direct, indirect, unintentional or otherwise) to one or more of the nine groups of people who share <i>Protected Characteristics</i> . It is recommended that the proposal be suspended until further work or analysis is performed – via a the Full Equality Analysis template	<b>Suspend – Further Work Required</b>	<b>Red</b> 

<p>As a result of performing the QA checklist, the policy, project or function does not appear to have any adverse effects on people who share <i>Protected Characteristics</i> and no further actions are recommended at this stage.</p>	<p><b>Proceed with implementation</b></p>	<p><b>Green:</b></p> 
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**Proceed with implementation**

As a result of performing the QA checklist, the policy, project or function does not appear to have any adverse effects on people who share *Protected Characteristics* and no further actions are recommended at this stage.

# Agenda Item 5.8

<p><b>Cabinet Decision</b> 20<sup>th</sup> March 2018</p> <p><b>IDB / MAB - 6<sup>th</sup> March 2018</b></p>	 <p><b>TOWER HAMLETS</b></p>
<p><b>Report of:</b> Directorate of Place</p>	<p><b>Classification:</b> Unrestricted</p>
<p><b>The Infrastructure Delivery Framework: Report to Cabinet recommending the approval of the allocation of CIL &amp; S106 funding and approval for the adoption of a capital budget in respect of the following projects:</b></p> <ul style="list-style-type: none"> <li>• <b>Goodman’s Fields Health Centre PID</b></li> <li>• <b>Whitechapel Public Realm Improvements PID</b></li> </ul>	

<b>Lead Member(s)</b>	<p><u>Covering Cabinet Report</u> Councillor Rachel Blake, Cabinet Member for Strategic Development</p> <p><u>Goodman’s Fields Health Centre Project Initiation Document</u> Councillor Denise Jones, Cabinet Member for Health and Adult Services</p> <p><u>Whitechapel Public Realm Improvements Project Initiation Document</u> Councillor Amina Ali, Cabinet Member for the Environment</p>
<b>Originating Officer(s)</b>	<p><u>Covering Cabinet Report</u> Owen Whalley, Divisional Director, Planning and Building Control, Place Directorate</p> <p><u>Goodman’s Fields Health Centre Project Initiation Document</u> Matthew Phelan, Programme lead for Healthy Environments</p> <p><u>Whitechapel Public Realm Improvements Project Initiation Document</u> Mahbub Anam, Interim Strategic Project Manager, Whitechapel Vision Delivery Team, Place Directorate</p>
<b>Wards affected</b>	All wards;
<b>Key Decision?</b>	Yes
<b>Community Plan Theme</b>	<p>A great place to live;</p> <p>A fair and prosperous community;</p> <p>A safe and cohesive community;</p> <p>A healthy and supportive community.</p>

## 1. **EXECUTIVE SUMMARY**

1.1 This document has been formed in order to seek approval from the Mayor in Cabinet for:

1. The allocation of £1,329,483 in Section 106 (S106) funding and £3,494,991 in Community Infrastructure Levy (CIL) to the proposals set out in the “*Goodman’s Fields Health Centre*” Project Initiation Document (PID), which is attached to this Cabinet report at Appendix A.
2. The allocation of £727,450 in Section 106 (S106) funding to the proposals set out in the “*Whitechapel Public Realm Improvements*” Project Initiation Document (PID), which is attached to this Cabinet report at Appendix B.

1.2 The projects to which this document relates can be summarised as follows:

a) **Goodman’s Fields Health Centre Project:**

The Goodman’s Fields Health Centre Project requires a total of £4,824,474 of CIL and S106 funding for the relocation of the Whitechapel and City Wellbeing GP practices from their existing under-sized premises to a new health centre within the Goodman’s Fields development at Aldgate. The aim of the project is to increase clinical capacity, access and service provision in primary care and maintain continuity of GP services in the south west locality.

b) **Whitechapel Public Realm Improvements:**

The Whitechapel Public Realm Improvements Projects seeks approval for £727,450 of (s106) funding to deliver seven open realm and public space improvements identified in the Whitechapel Vision Masterplan.

1.3 Table 1 below sets out the amount requested for the named project highlighted in 1.2, including the source of requested funding related to CIL and S106. Table 2 sets out the project costs and the amounts that require a capital budget to be adopted.

1.4 It should be noted that the figures in this report have been rounded to the nearest pound. For exact figures please refer to the attached PID.

**Table 1: Source of Funding and Overall Amount Requested for Allocation**

Project Title	Amounts			Funding (Capital/ Revenue)
	Overall Request	S.106	CIL	
Goodman's Fields	£4,824,474	£1,329,483	£3,494,991	Capital
Whitechapel Public Realm Improvements	£727,450	£627,450		Capital
		£100,000		Revenue
<b>Total</b>	<b>£5,551,924</b>	<b>£2,056,933</b>	<b>£3,494,991</b>	

**Table 2: Adoption of Capital Budget > Requested Amount**

Project Title	Amounts	
	Overall Request	Adoption of Capital Budget > Request Amount
Goodman's Fields Project	£4,824,474	£4,824,474
Whitechapel Public Realm Improvements	£727,450	£627,450
<b>Total</b>	<b>£5,551,924</b>	<b>£5,451,924</b>

## **RECOMMENDATIONS**

1.5 The Mayor in Cabinet is recommended to:

1. The allocation of £1,329,483 in Section 106 (S106) funding and £3,494,991 in Community Infrastructure Levy (CIL) to the proposals set out in the "*Goodman's Fields Health Centre*" Project Initiation Document (PID), which is attached to this Cabinet report at Appendix A.
2. The allocation of £727,450 in Section 106 (S106) funding to the proposals set out in the "*Whitechapel Public Realm Improvements*" Project Initiation Document (PID), which is attached to this Cabinet report at Appendix B.
3. Adopt a Capital Budget for the "*Goodman's Fields Health Centre*" and "*Whitechapel Public Realm Improvements*" Project Initiation Documents (PID) as set out in Table 1.

## **2. REASONS FOR THE DECISIONS**

- 2.1 Approval is sought to deliver these projects for the following reasons:
1. They help contribute to the delivery of positive improvements to people's lives that will underpin the Community Plan themes of:
    - A Great Place to Live;
    - A Fair and Prosperous Community;
    - A Safe and Cohesive Community;
    - A Healthy and Supportive Community.
  2. The Infrastructure Delivery Framework states that "planning policy seeks to deliver healthy and liveable neighbourhoods that promote active and" healthy lifestyles and enhances people's wider health and well-being. This will be achieved through the delivery of high quality, public realm and publicly accessible open spaces.
  3. The Whitechapel Public Realm Improvements Projects is consistent with the aims of a number of key Council Strategies, including the Green Grid Strategy, which aims to "create an interlink network of accessible green open space", as well as the Open Space Strategy (which is currently being revised) and aims to "improve the overall quality and accessibility of current open space provision".
  4. The Goodman's Fields Health Centre project is consistent with the planning policy on health and medical facilities which seeks to maintain an adequate supply and range of health facilities across the borough to serve the local needs and support the creation of more liveable and sustainable places.

2.2 Please refer to the following associated documents/appendices for more information about the projects:

- Appendix A: Goodman's Fields Health Centre PID;
- Appendix B: Whitechapel Public Realm Improvements PID.

### **3. ALTERNATIVE OPTIONS**

- 3.1 The projects within the attached PIDs can be individually or collectively approved. The only alternative option is to not allocate the funding to some or any of these projects.
- 3.2 It should be noted that the use of S106 funding proposed for allocation in this report is restricted, as it must be spent in accordance with the terms and conditions of its expenditure pertaining to a specific S106 agreement related to the development from which it originates. Further details of the specific restrictions attached to each S106 agreement can be found in the attached PIDs. Any alternative spend of this funding would have to be on projects that would meet the requirements of the relevant S106 agreement.



## 4. **BACKGROUND**

### S106

- 4.1 S106 of the Town and Country Planning Act 1990 allows a Local Planning Authority (LPA) to enter into a legally-binding agreement or planning obligation with a developer over a related issue. Planning obligations/S106 Agreements are legal agreements, negotiated between a LPA and a developer, with the intention of making development acceptable which would otherwise be unacceptable in planning terms.
- 4.2 S106 contributions must be spent in accordance with the agreement to which they relate. The contributions secured in S106 Agreements are usually tied to the need to provide a certain type of project in a defined location.

### CIL

- 4.3 CIL is a planning charge, introduced by the Planning Act 2008 as a tool for local authorities to help deliver infrastructure to support the development of their area. It came into force on 6 April 2010 through the Community Infrastructure Levy Regulations 2010 CIL is a £ per square metre charge on most new development.
- 4.4 In accordance with the Regulation 123 of the CIL Regulations 2010 (as amended), the Council has prepared a list of infrastructure items that the Council intends, will be, or may or partially funded by CIL. This project is covered under the 'health and social care facilities' in the Council's Regulation 123.

### PIDs

- 4.5 The backgrounds to the projects are provided below. For further information on the projects described in this report it is necessary to consult the PIDs attached at Appendix A and Appendix B.

### **Goodman's Fields Health Centre Project (PID attached at Appendix A)**

- 4.6 This PID seeks approval for the expenditure of £4,824,474 of S106/CIL funding for investment in health care facilities.
- 4.7 Tower Hamlets Council along with NHS Tower Hamlets Clinical Commissioning Group have identified an urgent need to improve the healthcare infrastructure in the South West locality of the borough to mitigate the impact of current and future increases in population growth. The Whitechapel and City Wellbeing GP Practices have insufficient capacity to meet the expected demand for primary care services arising

from planned population growth in the Shadwell, Stepney Green and Whitechapel wards which are served by the two practices.

- 4.8 The proposed one – off capital investment in a new health facility at the Goodman’s Fields development will enable re-provision of the Whitechapel and City Wellbeing GP Practices with modern facilities and clinical capacity needed to enable both practices to grow both their combined patient list to £25,000.
- 4.9 Additional infrastructure for GP services will provide additional resource for the Council’s Public Health service (through commissioning) and local health partners to tackle health inequalities and improve outcomes for local residents. The Whitechapel region is particularly in need of health infrastructure and extending healthcare provision in this ward will benefit several groups who are often disadvantaged in terms of access to healthcare.
- 4.10 The Goodman’s Fields Health Centre premises will be constructed to shell and core specification by the site developer, Berkeley Homes (Capital) PLC, in fulfilment of a planning obligation under the terms of a Section 106 Agreement. The premises will comprise a gross internal area of 1,630m<sup>2</sup>. The building is expected to be completed and handed over to the NHS in March 2019. The fit out works are expected to take approximately 11 months, with the health centre becoming fully operational in October 2020.
- 4.11 The fitted-out premises will provide 24 clinical rooms, a multi-purpose group room, counselling room and dedicated GP training rooms. The additional capacity provided in the new building will enable the GP practices to deliver an extended range of integrated primary and community health services to tackle health inequalities and improve health outcomes for their patients, in line with the objectives and goals set out in the Tower Hamlets Health and Wellbeing Strategy 2017-2020. The facility will also be equipped with the latest information technology to enable patients to access a wide range of primary care services online and to facilitate integrated working across health and social care.

**The Whitechapel Public Realm Improvements (PID attached at Appendix B)**

- 4.12 This project involves the approval of S106 money towards a total project cost of £727,450 for public realm improvements and open space improvements across the Whitechapel Masterplan Area.
- 4.13 The proposed projects will deliver part of the priority public realm interventions identified under the public realm and open space studies for Whitechapel. The open space studies completed for Whitechapel which builds on the objectives set out in the Masterplan provide the basis and justification for setting up and implementing the current

Whitechapel Public Realm Improvement Projects. A Project Manager and Specialist Project Officer roles are proposed to support steer the design, delivery and day to day management of the initiatives within the programme.

- 4.14 Continued investment in this project will help improve the perception and image of Whitechapel. An upfront investment in the public realm will secure future investments and, most importantly the confidence of the Borough's residents and commercial market that regeneration in Whitechapel is progressing. The projects will support the use of existing and newly improved public realm and open spaces for the local community to come together promoting civic pride and encouraging community cohesion.

## **5. COMMENTS OF THE CHIEF FINANCE OFFICER**

- 5.1 In accordance with the Council's Infrastructure Delivery Framework, this report seeks the approval of the Mayor in Cabinet to allocate Section 106 resources of £1,329,483 and Community Infrastructure Levy funding of £3,494,991 towards the costs of relocation of the Whitechapel and City Wellbeing GP practices to a new health centre within the Goodman's Fields development. It also seeks agreement to the allocation of Community Infrastructure Levy resources of £727,450 to the Whitechapel Public Realm Improvements project.
- 5.2 The funding for the Goodman's Fields Health Centre is fully included within the Health, Adults and Communities capital programme that was approved by full Council on 21<sup>st</sup> February 2018. This report seeks approval for the formal adoption of the capital estimate for this scheme.
- 5.3 In order that spending decisions can be made during the financial year by the Infrastructure Delivery Board and the Mayor in Cabinet, budgetary provision for infrastructure delivery is included within the capital programme with uncommitted resources carried forward into future years as necessary. The approved capital programme includes an uncommitted provision of £6.415 million for 2017-18, of which the application of £1.487 million to finance capital works at London Square has subsequently been approved (Cabinet – 28<sup>th</sup> February 2018). This leaves a currently uncommitted balance of £4.928 million of which £627,450 will be applied to finance the capital element of the Whitechapel Public Realm Improvements scheme. In addition to the capital element the report seeks approval for an allocation of £100,000 to fund revenue costs associated with the project.
- 5.4 The approved capital budget also incorporates a separate provision of £15 million for future additions to the capital programme including schemes to be funded from Section 106 and CIL resources.
- 5.5 Commitments to fund schemes can only be made following the receipt of the relevant developer contributions - in the case of the projects

proposed in this report, the required resources have been received by the Council. The specific planning contributions associated with the Section 106 funding elements of the projects are detailed in section 2 of the Project Initiation Documents that are included as appendices to this report.

- 5.6 A significant element of the Section 106 resources that are held by the Council relates to capital projects, with CIL funding also being available to finance both revenue and capital schemes. The proposed allocation of these funds is undertaken by the Infrastructure Delivery Board and should take place in accordance with the priorities within the Council's capital strategy, although certain resources are specific to particular initiatives. In order to undertake Section 106 or CIL funded capital schemes, projects must be incorporated into the capital programme and appropriate capital budgets adopted. The approval of capital estimates totalling £5,451,924 is sought in this report.
- 5.7 Due to the risk that funding will have to be repaid to developers, with interest, if the time period specified in the Section 106 agreement expires, it is important to ensure that projects continue to be closely monitored and that actions are taken to mitigate any risk that resources will be lost. The possibility of applying funds to alternative projects should be considered if schemes are unlikely to drawdown the funding before the time limited resources expire, although this must be done in accordance with the specific use conditions that are detailed in each Section 106 agreement.
- 5.8 Payments of Section 106 or CIL resources to external bodies can potentially be determined to be grants which require the approval of the Grants Determination Sub-Committee in accordance with the Council's decision making framework. This will apply in the case of the surgery location to Goodman Fields which will require funds to be transferred to the NHS Tower Hamlets Clinical Commissioning Group, and must also be considered if any of the funding for the Whitechapel Public Realm Improvements Programme is allocated to external organisations.
- 5.9 Provision for the funding of any on-going revenue costs associated with the Whitechapel Public Realm Improvements Programme will be met from within existing budgets.
- 5.10 In cases where project approvals contain a contingency item this will only be utilised if officers are fully satisfied with the evidence provided to support the claim. Any unused contingency sums will be available for reallocation to other projects.

## **6. LEGAL COMMENTS**

- 6.1 Section 106 Planning Obligations are obligations secured pursuant to section 106 of the Town and Country Planning Act 1990. Such Planning obligations, commonly known as s.106 agreements, are the mechanism whereby development proposals which would otherwise not be acceptable can be made acceptable in planning terms. They are focused on site-specific mitigation of the impact of development. They can impose financial and non-financial obligations on a person or persons with an interest in the land and become binding on that parcel of land.
- 6.2 As a contract the Council are required to spend any monies received in accordance with the terms of the s.106 agreement. It is therefore important to consider the provisions of each agreement when allocating monies to a particular project. Whilst some agreements allow for a particular contribution to be spent on a type of infrastructure or project across the borough as a whole, other agreements are more specific in requiring that a contribution be linked more closely to the locality of the development. Under most agreements the Council will have a limited period of time to allocate or spend the contribution (normally 5-10 years from receipt) and if the contribution is not allocated or spent within this period, the monies will have to be returned to the person who paid the monies with interest.
- 6.3 The Community Infrastructure Levy (CIL) is a £ per square metre planning charge introduced by the Planning Act 2008 as a tool to assist authorities to help deliver infrastructure to support the development of their area. In accordance with the Regulation 123 of the Community Infrastructure Levy Regulations 2010, the Council has prepared a list of infrastructure items that the Council intends, will be, or may or partially funded by CIL.
- 6.4 This report is asking the Mayor in Cabinet to approve the allocation of section 106 to the 2 projects identified in the report and CIL funding to 1 of the projects. The allocation of the section 106 funding is considered to be in accordance with the relevant section 106 agreements and therefore lawful. Likewise project in respect of the CIL funding is covered under the 'health and social care facilities' in the Council's Regulation 123 and therefore lawful.
- 6.5 When making 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.

## **7. ONE TOWER HAMLETS CONSIDERATIONS**

- 7.1 This report proposes to allocate funding to help deliver infrastructure at a local level. In scoping these infrastructure projects the objectives of One Tower Hamlets and those of the Community Plan have been considered.
- 7.2 It is anticipated that these infrastructure projects will contribute to the reduction of inequality and will foster cohesion in the borough.

## **8. BEST VALUE (BV) IMPLICATIONS**

- 8.1 If approved, the project referred to in this document is required to be delivered in consideration of best value implications and the Council's Best Value Strategy and Action Plan (2015).

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

- 9.1 Sustainability considerations will be applied as far as possible to the use of building materials and fixtures.
- 9.2 The proposed improvements will contribute towards the measures of increased use and satisfaction with green spaces and increased quality and function of open space.

## **10. RISK MANAGEMENT IMPLICATIONS**

- 10.1 The risks relating to the delivery of these projects as well as mitigating measures are set out in detail in the attached PIDs at Appendix A and Appendix B.

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

11.1 It is hoped that these projects will improve places and help design out crime in the borough, making them less susceptible to crime or disorder and increasing natural surveillance.

## **12. SAFEGUARDING IMPLICATIONS**

12.1 The Goodman's Fields Health Centre Improvement project and Public Realm Improvements Project proposes seek to deliver infrastructure in the south west locality of the borough. The rights of all end users will be safe guarded and further information can be found in the attached PID.

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### **Linked Reports, Appendices and Background Documents**

#### **Linked Report**

- None

#### **Appendices**

- Goodman's Fields Health Centre PID – Appendix A;
- Whitechapel Public Realm Improvements PID – Appendix B.

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

- None

#### **Officer contact details for documents:**

Matthew Pullen, Infrastructure Planning Manager

Tel: 020 7364 6363

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## PROJECT INITIATION DOCUMENT

(January 2018)

**Goodman's Fields Health Centre**

## Version Control

*[Please log the versions of the PID as it moves through the IDF process. This is to ensure that the correct/final version is signed and submitted for reporting.]*

<b>Version Number</b>	<b>Author and Job Title</b>	<b>Purpose/Change</b>	<b>Date</b>
0.1	Robert Lee	Version 1	05.01.18
0.2	Matthew Phelan	Update following legal	16 Jan 18
0.3	Matthew Phelan	Update following legal	18 Jan 18
0.4	Matthew Phelan	Update following IDSG	13 Feb 18
0.5	Matthew Phelan	Update to table 4 and 5 following 'health s106 meeting'	8 Mar 2018

## Project Initiation Document (PID)

<b>Project Name:</b>	Goodman's Fields Health Centre		
<b>Project Start Date:</b>	September 2018	<b>Project End Date:</b>	October 2020
<b>Relevant Heads of Terms:</b>	Health		
<b>Responsible Directorate:</b>	Adults Services		
<b>Project Manager:</b>	Matthew Phelan, Programme lead for Healthy Environments		
<b>Tel:</b>	X6307	<b>Mobile:</b>	N/A
<b>Ward:</b>	Whitechapel		
<b>Delivery Organisation:</b>	NHS Tower Hamlets CCG / NHS Property Services		
<b>Funds to be passported to an External Organisation? ('Yes', 'No')</b>	Yes		
<b>Does this PID involve awarding a grant? ('Yes', 'No' or 'I don't know')</b>	Yes		
<b>Supplier of Services:</b>	NHS Tower Hamlets CCG		
<b>Is the relevant Lead Member aware that this project is seeking approval for funding?</b>	Yes		
<b>Is the relevant Corporate Director aware that this project is seeking</b>	Yes		

approval for funding?	
Does this PID seek the approval for capital expenditure of up to £250,000 using a Recorded Corporate Director's Action (RCDA)? (if 'Yes' please append the draft RCDA form for signing to this PID)	No
Has this project had approval for capital expenditure through the Capital Programme Budget-Setting process or through Full Council? ('Yes' or 'No')	No
<b>S106</b>	
Amount of S106 required for this project:	£1,329,483.21
S106 Planning Agreement Number(s):	
<b>CIL</b>	
Amount of CIL required for this project:	£3,494,990.79
Total CIL/S106 funding sought through this project	£ 4,824,474
Date of Approval:	

**This PID will be referred to the Infrastructure Delivery Steering Group (IDSG):**

Organisation	Name	Title
LBTH – Place	Ann Sutcliffe	Acting Corporate Director Place ( <i>Interim Chair</i> )
LBTH – Place	Owen Whalley	Divisional Director Planning & Building Control
LBTH – Resources	Paul Leeson	Business Manager
LBTH – Place	Andy Scott	Acting Service Head for Economic Development

Organisation	Name	Title
LBTH – Place	Matthew Pullen	Infrastructure Planning Manager
LBTH – Governance	Fleur Francis	Team Leader, Planning Legal
LBTH – Governance	Sophie Chapman	Planning Lawyer
LBTH – Governance	Andy Simpson	Business Improvement & S106 Programme Manager
LBTH – Governance	Helen Green	S106 Portfolio Coordinator
LBTH – Governance	Tope Alegbeleye	Strategy, Policy & Performance Officer
LBTH – Governance	Oscar Ford	Service Manager - Strategy, Performance & Resources
LBTH – Health, Adults and Community	Abigail Knight	Associate Director of Public Health
LBTH – Children’s	Janice Beck	Head of Building Development
LBTH – Place	Marissa Ryan-Hernandez	Strategic Planning Manager
LBTH – Place	Paul Buckenham	Development Manager
LBTH – Place	Alison Thomas	Head of Housing Strategy, Partnerships and Affordable Housing Strategy, Sustainability and Regeneration
LBTH – Place	Richard Chilcott	Acting Divisional Director Property and Major Programmes
LBTH – Place	Jonathan Taylor	Sustainable Development Team Leader
LBTH – Place	Abdul J Khan	Service Manager, Energy & Sustainability
LBTH – Place	Christopher Horton	Infrastructure Planning Team Leader

### Related Documents

ID	Document Name	Document Description	File Location
<b>If copies of the related documents are required, contact the Project Manager</b>			

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## 1.0 Purpose of the Project Initiation Document

- 1.1 This project initiation document sets out proposals for the relocation of the Whitechapel and City Wellbeing GP practices from their existing under-sized premises to a new health centre within the Goodman's Fields development at Aldgate. The new Goodman's Fields Health Centre will provide the increased capacity needed to mitigate the impact of population growth in the South West Locality of Tower Hamlets.
- 1.2 Within the context of increasing financial challenges it is becoming ever more difficult for health services to fund new facilities and alternative funding sources are being pursued to cross-subsidise this development. The NHS in Tower Hamlets has a successful record in delivering health infrastructure initiatives aided by S106/CIL contributions in partnership with the Council and a one-off capital investment to bring this scheme to completion is therefore appropriate through this route.
- 1.3 This Project Initiation Document (PID) will define the Goodman's Fields Health Centre project and bring together the key components needed to start the project on a sound basis. It also provides the basis for building the principles of project management into the project right from the start by confirming the business case for the undertaking, ensuring that all stakeholders are clear of their role, agreeing important milestones, and ensuring that any risks involved have been assessed. The primary purposes of this PID are to:
- Justify the expenditure of *S106 contributions and / or CIL funding* on the named project which will provide the IDSG with a sound basis for their decision;
  - Provide a baseline document against which the Project Team, Project Manager (and in some cases) the Project Board can assess progress and review changes.

## 2.0 Section 106/CIL Context

### Background

- 2.1 Section 106 (S106) of the Town and Country Planning Act 1990 allows a Local Planning Authority (LPA) to enter into a legally-binding agreement or planning obligation with a developer over a related issue. Planning Obligations/S106 agreements are legal agreements negotiated between a LPA and a developer, with the intention of making acceptable development which would otherwise be

unacceptable in planning terms.

2.2 CIL is a £ per square metre charge on most new development. In April 2015, the council adopted its own CIL Charging Schedule. CIL must be spent on the provision, improvement, replacement, operation or maintenance of infrastructure, where a specific project or type of project is set out in the [Council's Regulation 123 List](#).

2.3 On the 5<sup>th</sup> January 2016, the Mayor in Cabinet agreed the implementation of a new Infrastructure Delivery Framework which will help ensure the process concerning the approval and funding of infrastructure using CIL/S106 will be appropriately informed and transparent.

### S106

2.4 Section 106 (S106) of the Town and Country Planning Act 1990 allows a LPA to enter into a legally-binding agreement or planning obligation with a developer over a related issue. Planning Obligations/S106 agreements are legal agreements negotiated, between a LPA and a developer, with the intention of making acceptable development which would otherwise be unacceptable in planning terms.

2.5 This S106 PID is part of the Tower Hamlets Council S106 Delivery Portfolio and is aligned with the agreed Heads of Terms (HoT) for the Deed creating Planning Obligations and undertakings for the developments in the table below:

PA number	Site	Expiry date comment	Expiry date	Funding Requirement	Amount Received	Amount applied to project
PA/11/03388	25-77 Knapp road	10 years from date of practical completion of the whole development	TBC	provision of additional health facilities	£8,611.00	2,033.79
PA/08/00305	Former Bishops Challoner School, Christian St	No expiry date mentioned		Health facilities within the vicinity of the development **	300,417.00	300,417.00
PA/11/01120	Land bounded by Limehouse Cut and St Annes Row	10 years from date of payment	03/06/2025	mitigate the demand of the additional population on healthcare facilities	£591,578.46	£94,899



PA/10/01481	60 Commercial Road	no expiry date		additional healthcare facilities in the Whitechapel wards area and/or shadwell ward area	184,859.96	184,859.96
PA/13/00862	213-217 Bow Common Road	expended or committed within 10 years from date of practical completion	TBC	towards the provision of additional health facilities	56,262.37	56,262.37
PA/14/02607	Barchester Street	All or any part of the financial contributions paid for the purposes specified within FIVE years of payment or SEVEN years in the case of sums which the council is under a binding contractual obligation to pay at the expiration of the said five years which have not been expended at that date.	08/11/2022	provision and or improvement of health care and well being facilities in the borough	171,291.00	171,291.00
PA/14/01428	Meridian Gate, Marsh Wall	in the event that all or part of any financial contribution has not been expended (or committed for expenditure) within 5 years from the date upon which it is paid, to repay the unexpended balance of such	13/12/2022	towards health facilities within the Council's administrative areas.	519,720.09	519,720.09

		contribution (or any part not already committed)				
Total						£1,329,483.21

\*\* see map in appendix 1

Table 1: S106 planning obligations

### CIL

- 2.6 This PID seeks approval for the expenditure of **£3,494,990.79** of CIL for the relocation of the Whitechapel and City Wellbeing GP practices from their existing under-sized premises to a new health centre within the Goodman’s Fields development at Aldgate.
- 2.7 In accordance with Regulation 123 of the CIL Regulations 2010 (as amended), the Council has prepared a list of infrastructure that the Council intends, will be, or may be, wholly or partially funded by CIL. This project is covered under ‘health and social care facilities’ in the Council’s Regulation 123 List.
- 2.8 On 30<sup>th</sup> January 2018, the Council’s Cabinet will consider adopting an Annual Infrastructure Statement. The Annual Infrastructure Statement (AIS) will set out the Mayor’s overall approach to investing Community Infrastructure Levy (CIL) funding up until 31st March 2019. The proposed AIS allocates a portion of CIL funding to ‘Sustainability, Leisure and Healthy Living’ Infrastructure. This funding has been provisionally set aside for projects ‘which enhance the provision of sustainability, leisure and healthy living opportunities within the borough’. Goodman’s Fields Health Centre will enhance ‘healthy living opportunities’ and as such is in accordance with the Annual Infrastructure Statement.

### Grants Funding

- 2.9 This PID will also need to go through the Grants Funding Process, as this project will require transfer of funds to an organisation external to the Tower Hamlets Borough Council (in this case, the Tower Hamlets CCG). The PID will therefore be reviewed by the Grants Scrutiny Sub-Committee (GSSC) prior to being reviewed by the Mayor and relevant councillors at Grants Determination Sub-Committee (GDSC).

### **3.0 Equalities Analysis**

- 3.1 When making 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.
- 3.2 Tower Hamlets has one of the lowest healthy life expectancies for both men and women in the country and health inequalities particularly for BME people are a significant challenge for our communities. Additional infrastructure for GP services will provide additional resource for the council's Public Health service (through commissioning) and local health partners to tackle these health inequalities and improve outcomes for local residents, see section 6 for further information.
- 3.3 The Whitechapel region is particularly in need of additional health infrastructure, and extending healthcare provision in this ward will particularly affect several groups who are often disadvantaged with regards to access to healthcare. According to the 2011 census, 59% of the people living in this ward are BME, the proportion of socially rented households is almost double the London average and 13% of the population are classed as long term unemployed. Health inequalities research over the past decade has strongly indicated that low income and ethnic minority households are significantly more likely to experience poorer health outcomes. The Goodman's Fields Health Centre will therefore be increasing health service availability in a location of appropriate need.
- 3.4 The Goodman's Fields Health Centre will be fully compliant with the requirements and philosophy of the 2010 Equality Act and the Disability Equality Duty contained within the Disability Discrimination Act. All referenced standards and planning guidance within these documents will be adhered to.

### **4.0 Legal Comments**

- 4.1 Legal Services considers the use of contributions to support the Goodman's Fields Health Centre to satisfy the terms of the S106 agreements set out in the table at paragraph 2.5 above.
- 4.2 PA/08/00305 requires the contribution to be spent towards health facilities in the vicinity of the development. There is no legal definition of vicinity and a number of factors should be borne in mind such as proximity, accessibility, the availability of

other such facilities and the extent to which occupiers of the land can reasonably be expected to be served by the project. Map 1 appended to this PID shows that this development is located a short walk from the proposed new location of Goodman's Fields Health Centre and so it is reasonable to expect residents of this development to use this health centre.

- 4.3 The S106 agreement for PA/10/01481 requires the contribution to be used towards providing additional healthcare facilities in the Whitechapel ward area and/or Shadwell ward area. Figure 1 "site locations map" shows that the proposed new location of Goodman's Fields Health Centre is in the Whitechapel ward.
- 4.4 This project also seeks to use £3,494,990.79 from the Council's CIL fund. CIL is a pounds per square metre charge on most new development, introduced by the Planning Act 2008 ('the 2008 Act') as a tool for local authorities in England and Wales to help deliver infrastructure to support the development of their area. It came into force on 6 April 2010 through the Community Infrastructure Levy Regulations 2010 ('the 2010 Regulations').
- 4.5 A charging authority must apply CIL to funding the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of its area, as set out in Regulation 59 of the 2010 Regulations.
- 4.6 Infrastructure is defined by S216 of the Planning Act 2008 to include medical facilities and therefore we are satisfied that a health centre fits within this definition and is infrastructure of that type which is vital to support the development of the Council's area.
- 4.7 It is noted that CIL monies and the contributions to be drawn from the S106 agreements are to be paid directly to an external organisation (NHS). The terms of these S106 agreements do not specify that the contributions can be paid to NHS; therefore such payments are considered to constitute grants. Therefore, as the Council is under no legal obligation or duty to provide this payment, it is discretionary and considered to be a grant. As such, approval must first be sought from the Grants Determination (Cabinet) Sub-Committee before any payment is made.
- 4.8 Subject to the above comments, we consider the funding for this PID to be in accordance with the CIL and the purposes for the contributions under the S106 agreements.

4.9 When approving this PID, 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.

4.10 These comments are limited to addressing compliance with the expenditure of CIL and the terms of the S106 agreements mentioned above (as based on the information detailed in the PID) and advice on any other legal matters (such as advice on procurement) should be sought separately if appropriate.

## **5.0 Overview of the Project**

5.1 The Goodman's Fields Health Centre premises will be constructed to shell and core specification by the site developer, Berkeley Homes (Capital) PLC, in fulfilment of a planning obligation under the terms of a Section 106 Agreement. The premises will comprise a gross internal area of 1,630m<sup>2</sup>. The building is expected to be completed and handed over to the NHS in March 2019. The fit out works is expected to take approximately 11 months, with the health centre becoming fully operational in October 2020.

5.2 The fitted-out premises will provide 24 clinical rooms, a multi-purpose group room, counselling room and dedicated GP training rooms. The additional capacity provided in the new building will enable the GP practices to deliver an extended range of integrated primary and community health services to tackle health inequalities and improve health outcomes for their patients, in line with the objectives and goals set out in the Tower Hamlets Health and Wellbeing Strategy 2017-2020. The facility will also be equipped with the latest information technology to enable patients to access a wide range of primary care services online and to facilitate integrated working across health and social care.

5.3 The proposed development at Goodman's Fields, with the support of S106/CIL capital grants, will increase clinical capacity, access and service provision in primary care and maintain continuity of GP services in the South West Locality.

5.4 The aim of the proposal is to both overcome existing inadequacies in primary care facilities in the South West Locality and to address the requirement to improve the existing healthcare estate in Tower Hamlets.

5.5 Failure to deliver this development would create a potential risk of insufficient primary care capacity being available to meet demand for primary care services in future years arising from planned population growth in the South West Locality of

Tower Hamlets. This could result in reduced access to primary healthcare, longer waiting times for GP and nurse appointments and an increase in the volume of avoidable attendances at accident and emergency services at the Royal London Hospital.

- 5.6 The map below shows the locations of the new health facility at Goodman's fields and the existing Whitechapel and City Wellbeing GP practices premises, including the branch surgery at Portsoken Health Centre.

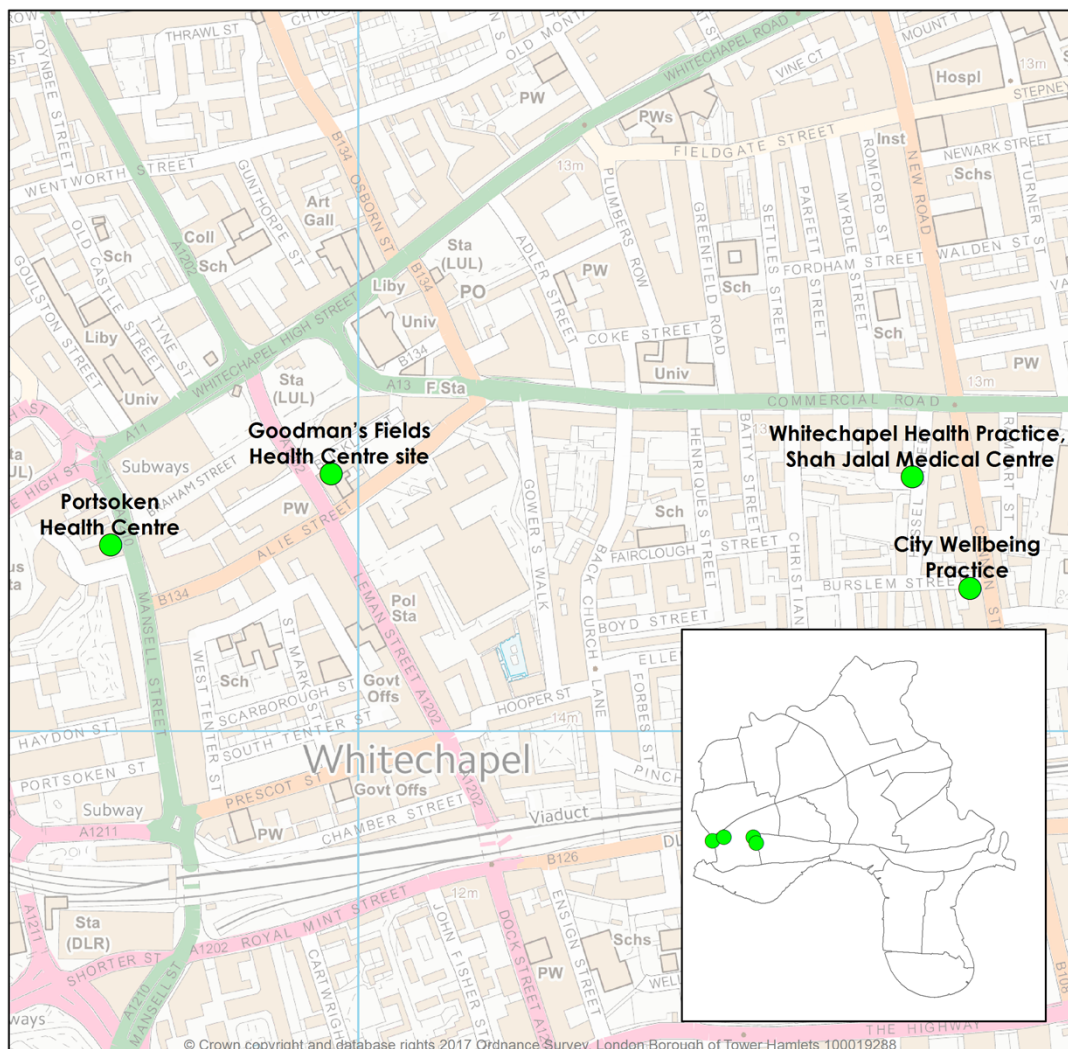


Figure 1: Site locations map

**Site addresses:**

City Wellbeing Practice, 129 Cannon Street Road, E1 2LX

Whitechapel Health Practice, Shah Jalal Medical Centre, 44 Hessel Street, E1 2LP

Whitechapel Health Branch Surgery, Portsoken Health Centre, 14-16 Somerset Street, E1 8AH

Goodman's Fields Health Centre site, South East Block, Goodman's Fields, E1 8EJ

## 6.0 Business Case

### Overview/General

- 6.1 Tower Hamlets Council is working in partnership with NHS Tower Hamlets Clinical Commissioning Group to improve healthcare facilities in the Borough. Health commissioners have identified an urgent need to improve the healthcare infrastructure in the South West Locality of the borough to mitigate the impact of current and future increases in population.
- 6.2 The Whitechapel and City Wellbeing GP practices currently have a combined list size of 17,000 patients but neither of these existing practice premises have sufficient capacity to meet the expected demand for primary care services arising from planned population growth in the Shadwell, Stepney Green and Whitechapel Wards which are served by the two practices. The population in these wards is forecast to increase from 45,900 in 2018/19 to 54,360 in 2024/25.
- 6.3 The City Wellbeing Practice is now operating at full capacity and has closed its list to new patients. The Whitechapel Practice is also nearing full operational capacity, but is continuing to register new patients for the time being. Due to capacity constraints at its Whitechapel premises, the Whitechapel Practice also currently operates a branch surgery at Portsoken Health Centre in the City. The new facility at Goodman's Fields will enable the Whitechapel Practice to consolidate all of its services onto a single site.
- 6.4 The Goodman's Fields Health Centre will provide the modern facilities and clinical capacity needed to enable both the Whitechapel and City Wellbeing GP practices to grow their combined patient list to 25,000.
- 6.5 The proposed one-off capital investment in a new health facility at the Goodman's Fields development in Aldgate will enable a re-provision of the Whitechapel and City Wellbeing GP Practices within modern, fit for purpose facilities. The South West Locality has high levels of deprivation and poor health and primary care services are under increasing pressure to meet local health need.

### Demand Modelling

- 6.6 NHS Tower Hamlets Clinical Commissioning Group has developed a model with clinicians to enable projection of future demand for primary care services. The modelling exercise, which takes account of population growth and planned shifts in outpatient activity from hospital to primary care, has identified a requirement for the

provision of seven additional clinical rooms in primary care to meet demand within the South West Locality by 2021/22.<sup>1</sup>

- 6.7 The Goodman's Fields Health Centre development will create a further 7 clinical rooms. Tower Hamlets Council is working closely with NHS Tower Hamlets CCG and other stakeholders to develop further initiatives to build primary care capacity in the South West Locality, including exploratory proposals to develop a new health facility on the Royal London Hospital Campus.
- 6.8 Future clinical capacity requirement is mainly driven by population growth, as the model projects relatively minimal infrastructure growth being required from shifting activity out of hospital into primary care.
- 6.9 Figure 2 below shows the net increase in population in Tower Hamlets Wards to 2025<sup>2</sup>.

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<sup>1</sup> Transforming Services Together Estate Options, WEL CCGs

<sup>2</sup> LBTH Report, Potential Future Primary Healthcare Infrastructure, 2016



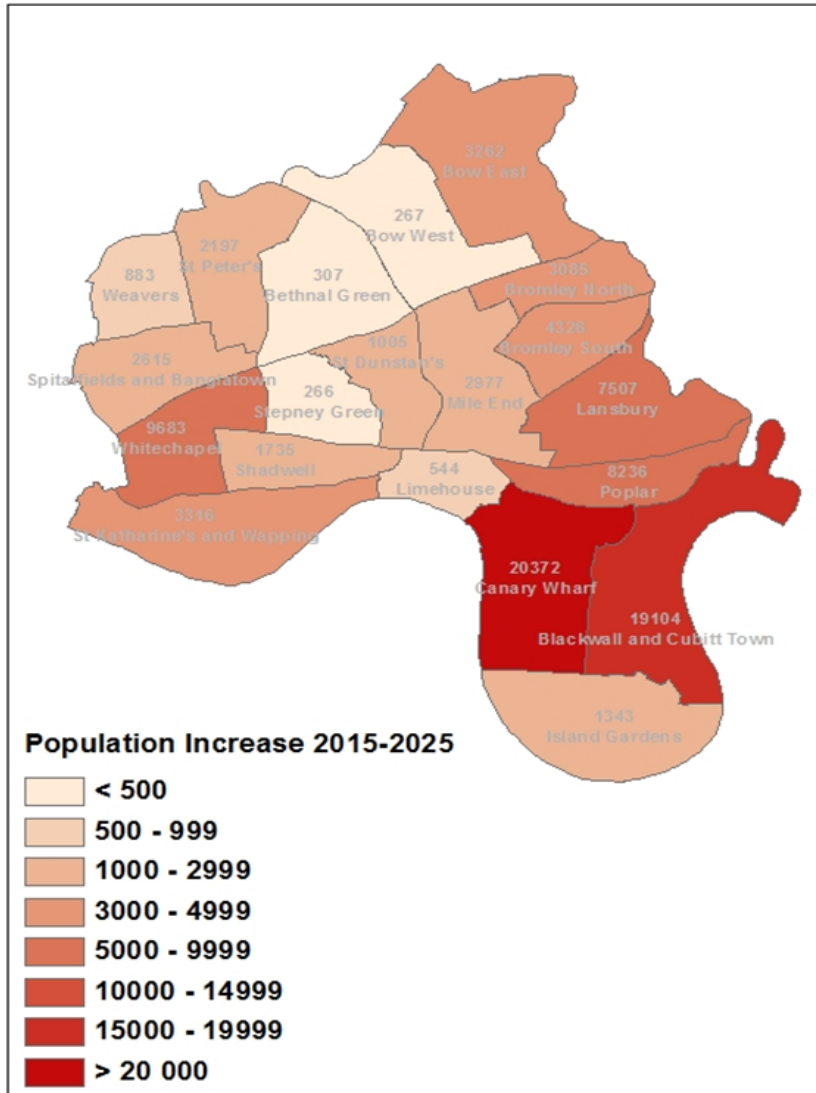


Figure 2: Heat map: net increase in population in Tower Hamlets Wards to 2025

- 6.10 Tower Hamlets Council is working closely with NHS Tower Hamlets CCG and other stakeholders to develop further initiatives to build primary care capacity in the South West Locality.
- 6.11 On a borough wide basis, there are currently enough GPs to accommodate current demand. However, the borough is expected to be the subject of significant population growth over the next 15 years which will result in the need to deliver more health facilities, such as the project proposed in this PID. The table below shows that by 2030/31, the borough will have a deficit in provision of 38 GPs unless further provision is delivered. The modelling to support this finding was based upon the Healthy Urban Development Unit Toolkit.

Year	Provision (GP's - FTE)	Projected Population	Demand (GP's)	Deficit / Surplus	Deficit / Surplus (% of Provision)
2015/16	182.13	284,106	157.84	24.29	13.34
2020/21	182.13	344,196	191.22	-9.09	-4.99
2025/26	182.13	384,166	213.43	-31.30	-17.18
2030/31	182.13	396,977	220.54	-38.41	-21.09

Table 2: GP workforce requirement in Tower Hamlets – 2016/2031

### Project Objectives

6.12 The following objectives have been set by for the project:

- Replace the existing, under-sized accommodation currently housing the Whitechapel and City Wellbeing GP practices
- Provide a modern health facility within the Goodman's Fields development with sufficient capacity to meet projected population demand and support the introduction of new models of care to deliver a broader range of integrated primary care and community health services to the local community
- Ensure the Goodman's Fields Health Centre development represents value for money and is affordable to the local health economy
- To ensure the health and wellbeing needs are met within the Whitechapel Ward to meet the demand for the growing population of the east of the borough.

### Project Drivers

6.13 This project is aligned with the strategic priorities for improved health facilities to enable more people in Tower Hamlets to live healthily; ICT investment to facilitate smarter, integrated working; and employment initiatives to create good jobs for local residents.

6.14 Improving the physical infrastructure of Tower Hamlets is one of five priorities set out in the borough's Health and Wellbeing Strategy 2017-2020. Physical infrastructure includes the provision of good quality healthcare facilities to support the health and wellbeing of the Tower Hamlets population.

- 6.15 NHS Tower Hamlets CCG Estates Strategy identifies a requirement to development new facilities in the South West Locality to meet future demand for primary care services. The Goodman's Fields Health Centre will contribute to delivery of the extra clinical capacity that is required in the Locality.
- 6.16 To enhance the delivery of infrastructure and address the demands that development places on an area, maximising health infrastructure was prioritised through the Tower Hamlets local infrastructure fund.

#### Deliverables, Project Outcomes and Benefits

- 6.16 This project will:
- deliver a new, fully equipped modern health facility with 24 clinical rooms in the South West Locality
  - deliver new health infrastructure with capacity for up to 25,000 registered patients
  - provide 50,400 new patient appointment slots in the North-East Locality, based on a utilisation rate of 60%
  - upgrade ICT and medical equipment to allow patients to take more control of their care and to allow more patient monitoring to be undertaken within primary care
  - enable an expansion of the primary care workforce in the South West Locality, equivalent to 1 GP per 1,800 new patients and associated support staff
- 6.17 The purchased equipment for the new facility will include IT equipment, hydraulic examination couches, cabinetry, task chairs and other furnishings required for a fully equipped primary care medical facility.

- 6.18 It is expected that the new facility will be operational in October 2020.

#### Other Funding Sources

- 6.19 There are no other funding sources available for this project and there is no requirement or expectation for match funding. Due to the financial pressures facing the NHS, Tower Hamlets CCG does not have access to any capital resources for building projects. However, the NHS will meet the revenue costs for ongoing rental and service charges, the employment of clinical and administrative staff that will be required at the Goodman's Fields Health Centre.

## Related Projects

- 6.20 This project builds on other capital projects that are being implemented to expand and upgrade primary care healthcare facilities in Tower Hamlets:
- Re-provision of the St Paul's Way Medical Centre to a new facility within the William Cotton Place development PID which was approved at IDB in April 2014)
  - Re-provision of the Merchant Street and Stroudley Walk GP practices at the refurbished Wellington Way Health Centre PID which was approved in October 2016 and proposed new ground floor extension at the site, for which a PID was approved in October 2017.
  - Maximising existing health infrastructure PID which was approved in 2016; a project that involves alterations to GP practice premises to create extra clinical capacity to meet increased health need.

## **7.0 Approach to Delivery and On-going Maintenance/Operation**

- 7.1 NHS Property Services and NHS Tower Hamlets CCG will apply effective public procurement, prioritising good design outcomes to maximise the social, environmental and economic benefits of the development.
- 7.2 NHS Property Services will lease (the superior lease) the Goodman's Fields facility from Berkeley Homes (Capital) PLC and sublet the entire premises to Whitechapel Health and City Wellbeing GP Practices. Berkeley Homes (Capital) PLC will be responsible for external repairs, whilst it the maintenance of internal furnishings and equipment, utilities, rates and insurances will be the responsibility of the Whitechapel Health and City Wellbeing GP Practices, in accordance with the terms of the practices' lease agreements with NHSPS. IT equipment will be maintained by Tower Hamlets CCG.
- 7.3 All on-going revenue costs arising from this project will be funded by the NHS.

## Procurement

- 7.5 The proposed contractual arrangements in this procurement are as follows:

- NHS Property Services will procure the scheme design and fit-out works and manage the construction of this development, with capital funding provided via Section 106/CIL capital grants. Construction works are expected to be procured via a traditional form JCT tender, with invitations issued to a selected list of contractors who are proven at this scale and scope of NHS fit-out, in accordance with the NHSPS tendering guidelines. NHSPS will appoint a professional design team, including a contract administrator who will be responsible for compliance in terms of valuations, payments and acceptance of practical completion prior to handover.
- NHS Property Services will lease the entire shell and core health premises at the Goodman's Fields Development for a term to be agreed between the developer, Berkeley Homes (Capital) PLC and NHSPS.
- NHSPS will sub-let the fully fitted out medical suite to Whitechapel Health and City Wellbeing GP Practices via a full repairing, insurance lease agreement for a 30-year term.
- NHS Tower Hamlets CCG will procure furnishings and IT equipment for the fitted out medical suite, with capital funding provided via a Section 106 capital grant
- NHSPS and CCG procurements will be undertaken in accordance with NHS Standing Financial Instructions.

## **8.0 Infrastructure Planning Evidence Base Context**

8.1 Twenty healthcare projects have been identified in the current Infrastructure Delivery Plan (2016) to help meet the need for primary healthcare facilities in the borough. This includes the development of a new health facility at Goodman's Fields. This project is a top officer priority as it will meet increasing need in the shorter term.

## **9.0 Opportunity Cost of Delivering the Project**

9.1 The project is fulfilling a specific S106 obligation to provide additional healthcare facilities in the borough. The S106 funds provided are ring-fenced for healthcare facilities and cannot be used for anything else. This project is one of a number of other healthcare facilities improvement projects being delivered through S106/CIL monies – spread around the borough and decided according to need.

- 9.2 As the 'The City Wellbeing Practice' operating at full capacity and 'The Whitechapel Practice' nearing full capacity, failure to deliver this development would create a potential risk of insufficient primary care capacity being available to meet demand for primary care services in the South West Locality of Tower Hamlets, resulting in reduced access, longer waiting times, and an increase in the volume of avoidable attendances at accident and emergency. Therefore the risk of missing the opportunity to support this PID would far outweigh the impact to the local resident's wellbeing.
- 9.3 As of 31st December 2017, the Council had issued a total of £6.6 million in CIL Liability Notices within LIF Area 1, including £3.4 million within Whitechapel Ward. Given the amount of projected development within the area, these figures are anticipated to increase notably ahead of the proposed construction works being completed in May 2020. Whilst there are a number of infrastructure projects which this money could be spent on, there is an identified need to increase healthcare infrastructure in the area, as identified in the Infrastructure Delivery Plan, and as such, this is considered to be the best use of this CIL funding. The proposal also aligns with the Annual Infrastructure Statement which sets out the Mayor's approach for allocating and spending CIL in 2017/18 and 2018/19.
- 9.4 Furthermore, the project is strategic and will have borough-wide benefits. Collectively the current registered patient lists of both 'City Wellbeing Practice' and 'Whitechapel Practice' Patient lists total in excess of £15.8k in the Whitechapel ward alone. A further 3.2k patients are registered from Shadwell and 891 from Stepney Green and a further 2081 patients registered across 17 other wards.
- 9.5 The City and Wellbeing practice hold the head lease for their very small, unsuitable and poor quality premises and they will surrender that lease. NHS Property Services hold the head lease for the Whitechapel premises and the current plan is to surrender it, however, there has been some recent thinking about the East London Foundation Trust possibly wanting to lease these premises. In practice the investment of S106/CIL allows TH CCG to, in addition to expanding clinical capacity, modernise the health estate and co-locate/merge practices leading to higher list practices and economies of scale.

## **10.0 Local Employment and Enterprise Opportunities**

- 10.1 NHS Tower Hamlets CCG and NHS Property Services as statutory public sector bodies will use their procurement procedures to secure any required contracts. The existing or appointed contractor will be requested to work with the council's

Economic Development Team who can support them in delivering any economic and community benefits associated with any contract.

10.2 The additional funding will be the subject of economic and community benefits and the new facility will take account of additional offers it can provide. Any additional works that could be procured will explore locally based organisations to complete the works and as part of the procurement processes will maximise the opportunities for training, work experience and job opportunities for local residents.

### 11.0 Financial Programming and Timeline

#### Project Budget

11.1 Table 3 below to sets out the details of the project’s budget and funding sources.

<b>Table 3</b>			
<b>Financial Resources</b>			
	<b>Amount</b>	<b>Funding Source</b>	<b>Funding (Capital/ Revenue)</b>
Construction cost including prelims	1,339,052	S106	Capital
Construction cost including prelims	859,083	CIL	Capital
Professional fees	329,720	CIL	Capital
Equipment, IT, project and legal costs	828,805	CIL	Capital
Contingency and inflation	787,365	CIL	Capital
VAT (less estimate for VAT recovery)	680,449	CIL	
<b>Total</b>	<b>4,824,474</b>		

*Table 3: Project budget and funding sources*

11.2 The cost estimate for construction works have been benchmarked against similar projects currently being progressed, including Sutton’s Wharf and Aberfeldy Health Centres. No adjustment for location has been made as this is assumed to be within the Price and Design Risk percentage. Any monies not spent will be used for the purchase of additional equipment within the development.

11.3 Projected costs are estimates on the basis of the current market conditions and are benchmarked against similar projects recently delivered and currently in development e.g. William Cotton and Sutton’s Wharf. It is in the nature of capital

projects that out turn cost is difficult to predict, however, allowances have been included for inflation, optimism bias and contingency. The William Cotton project was comparable and this was delivered on budget.

### NHS VAT Liability

- 11.4 With regards to VAT liabilities for this project, the CCG has received advice from Bauer VAT Consultants Ltd, as follows: *Whereas ‘normal businesses’ are entitled to recover VAT on goods/services used in the course of business, the NHS is severely restricted on precisely what services it is able to recover VAT on; the specifics of which are included in the COS guidance. To give some context, local authorities, under the Section 33 of the VAT Act 1994, are unrestricted on VAT recovery, however the NHS are dictated by different Section 41 (Contracted Out Services) and face restrictions on what they are entitled to recover VAT on. In conjunction with the COS Guidance, the NHS must have an ‘in-house-ability’ to conduct the services; an example where this would not occur would be on statutory building inspections, the NHS could not conduct this service in-house therefore they would be unable to recover the VAT on the inspection.* Taking account of further advice received from Quantity Surveyors, Currie & Brown Holdings Ltd, we estimate that 3.58% of the total project cost will be VAT recoverable. A sum equivalent to this percentage has been deducted from the estimated VAT total in Table 2 above. It should be noted that it is the CCG’s standard practice to draw down S106 grant monies on a quarterly basis in arrears against actual expenditure, but only after any VAT liabilities have been calculated.

### Project Management

- 11.5 The Project will be managed by NHS Tower Hamlets Clinical Commissioning Group. The CCG has established robust programme management arrangements to ensure consistent design and completion of S106 healthcare infrastructure schemes within the required programme and budget parameters. The programme is managed by NHS Tower Hamlets System Wide Estates and Capital Strategy Group, which is led by the Deputy Director of Commissioning Development and meets monthly. The membership of the Estates Strategy Group includes a representative from the Borough.
- 11.6 The operational delivery of this project will be managed by the Goodman’s Fields Health Centre Project Board, which reports into and is accountable to NHS Tower Hamlets System Wide Estates and Capital Strategy Group. Membership of the Project Board comprises officers from NHS Tower Hamlets CCG, NHS England, the London Borough of Tower Hamlets, NHS Property Services and representatives from the GP practices, including patient representatives.



11.7 The Project Board will manage project delivery against programme milestones and the benefits realised against project objectives and the benefits sought. Project evaluation will be an integral part of the overall project management, contract management and commissioning processes.

11.8 Project sponsor and Project Manager will meet monthly with NHS Estate project team to oversee delivery of all Health s106 related NHS Infrastructure work programmes.

### Financial Profiling

11.9 Table 4 below sets out the profile of the project's expenditure over its lifetime:

Financial profiling Description	Year 2018/2019				Year 2019/2020				Year 2020/2021				Year 2021/2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Construction cost inc prelims	-	-	-	-	-	-	-	-	450,000	900,000	700,000	78,025	-	70,110	-	-
Professional fees	-	-	-	40,000	70,000	80,000	70,000	15,000	10,000	10,000	10,000		-	24,720	-	-
Equipment, IT, project and legal costs, contingency and inflation	-	-	20,000	15,000	15,000	15,000	70,000	50,000	70,000	160,000	265,000	140,000	-	8,805	-	-
VAT	-	-	-	-	-	-	-	-	215,000	250,000	200,000	10,449	-	5,000	-	-
<b>Total</b>	-	-	20,000	55,000	85,000	95,000	140,000	65,000	840,000	1,560,000	1,350,000	314,474	-	300,000	-	-

*Table 4: Project expenditure profile*

### Outputs/Milestone and Spend Profile

11.10 Table 5 below sets out key events (milestones) as the projects moves through its lifecycle.

<b>Table 5</b>			
<b>Project Outputs/Milestone and Spend Profile</b>			
<b>ID</b>	<b>Milestone Title</b>	<b>Baseline Spend</b>	<b>Baseline Delivery Date</b>
1	NHS Business Case	75,000	Feb 2019
2	Contractor appointed	320,000	Nov 2019
3	Commencement on site	65,000	Jan 2020
4	Practical completion	2,400,000	Aug 2020
5	NHS commissioning	1,350,000	Sept 2020
6	Facilities open to public	300,000	Oct 2020
7	Publicity and comms	150,000	Oct 2021
8	Project final account	164,474	Oct 2021
<b>Total</b>		<b>4,824,474</b>	

Table 5: Project expenditure milestones

## 12.0 Project Team

12.1 Information regarding the project team is set out below:

Project Sponsor: Somen Banerjee, Director of Public Health/ Abigail knight, Associate Director Public Health

- Matthew Phelan, Programme Lead for Healthy Environments
- Danielle Solomon, Public Health Registrar

## 13.0 Project Reporting Arrangements

13.1 Direct progress reporting will be dealt with via NHS Project Board; the Council's Project Manager will be a member of the Project Board. In addition, progress reporting will be provided to the Council as follows:

<b>Table 6</b>			
<b>Group</b>	<b>Attendees</b>	<b>Reports/Log</b>	<b>Frequency</b>
IDSG Sub Group	Numerous – defined in ToR.	Monitoring Report	Quarterly
IDSG	Numerous – defined in ToR.	Monitoring Report	Quarterly
IDB	Numerous – defined in ToR	Monitoring Report	Quarterly

Table 6: Project monitoring schedule

13.2 NHS Estates Project team will meet monthly with Project Sponsor / Public Health

who will oversee delivery of all Health s106 related NHS Infrastructure work programmes.

## 14.0 Quality Statement

14.1 For quality assurance, the Goodman’s Fields Health Centre will be developed in accordance with all relevant NHS guidance for healthcare building design, technical requirements and good practice in stakeholder engagement, including the following:

- Health Building Note 00-01 General design guidance for healthcare buildings. HBNs give best practice guidance on the design and planning of new healthcare buildings and on the adaptation or extension of existing facilities.
- Health Technical Memoranda (HTMs) give comprehensive advice and guidance on the design, installation and operation of building and engineering technology used in the delivery of healthcare.
- BREEAM Healthcare sets the standard for best practice in sustainable building design, construction and operation and has become one of the most widely recognised measures of a building’s environmental performance. The aim is for this development to achieve a BREEAM rating of ‘very good’, in accordance with BREEAM Criteria for fitted out premises.
- Design Quality Indicator (DQI) is a facilitated process that takes the form of structured workshops to assess and evaluate the quality of building design. The Design Quality Indicator empowers the building’s stakeholder community by providing a structured way to talk about their new building. By encouraging effective communication between suppliers and the eventual users of the building, the process helps suppliers deliver excellent buildings attuned to the users’ needs.

## 15.0 Key Risks

15.1 The key risks to this project are set out in the table below:

Table 7							
Risk No.	Risk	Triggers	Consequences	Controls	Likelihood	Impact	Total

Table 7							
Risk No.	Risk	Triggers	Consequences	Controls	Likelihood	Impact	Total
1	Building Control / Development control approvals are required		Delay while permissions obtained	Confirm these are not required before commencement of work	1	2	2
2	Cost overrun on building works	Additional works requirement not foreseen in quotes	Costs exceed budget	Extensive planning and quotes obtained for building work. Learning from previous experiences.	1	1	1
3	Service disruption	Inability to provide normal GP function from the existing site when works are being undertaken	Alternative premises requirement or reduction of service provision	Project management discussion with developer in order to minimise disruption of service	1	1	1
4.	Slippage on building works causing overrun		Project overrun	Project management and penalties built in	1	1	1
5.	ICT equipment not required specification / incompatible with existing infrastructure		Inability to fully utilise new equipment	Only equipment meeting the necessary specification will be ordered	1	2	2

Table 7: Project Risk Matrix

## 16.0 Key Project Stakeholders

16.1 The principal stakeholders are shown in Table 8 below and will be engaged from the earliest stages of the project and through to project closure. The key

stakeholders will be engaged as required, after delivery is completed.

<b>Table 8</b>			
<b>Key Stakeholders</b>	<b>Role</b>	<b>Communication Method</b>	<b>Frequency</b>
NHS Tower Hamlets CCG	Supplier	Project Board	Monthly
Whitechapel Health Practice	Service Provider	Project Board	Monthly
City Wellbeing Practice	Service Provider	Project Board	Monthly
NHS Property Services	Building Client	Project Board	Monthly

*Table 8: Principal stakeholders*

## 17.0 Stakeholder Communications

17.1 As part of its remit, the Goodman’s Fields Health Centre Project Board will develop a communications strategy that will aim to:

- provide clear, consistent information to stakeholders at key stages of the project
- issue and publish the key messages to patients and key stakeholders
- ensure that the parties delivering the project are aware of their communications responsibilities
- raise awareness of the project via the local media
- ensure patients and key stakeholders of Whitechapel Health and City Wellbeing practices are fully informed in a timely manner about the arrangements for the relocation to the new premises at Goodman’s Fields

### Target audience

- Staff at Whitechapel Health and City Wellbeing Practices
- Registered patients of Whitechapel Health and City Wellbeing Practices
- Whitechapel Health and City Wellbeing Practices’ Patient Participation Groups
- Tower Hamlets Healthwatch
- London Borough of Tower Hamlets
- Ward Councillors
- Tower Hamlets CVS
- NHS England
- GP practices in the South West Locality
- Local MP
- Local Medical Committee
- Local Pharmaceutical Committee

- Tower Hamlets CCG
- NHS Property Services
- Local media

## 18.0 Project Approvals

The PID has been reviewed and approved by the Chair of the IDSG and the Divisional Director for the Directorate leading the project.			
Role	Name	Signature	Date
IDSG Chair	Ann Sutcliffe		
Divisional Director	Somen Banerjee		

### Project Closure

*[Please note that once this project has been completed a Project Closure Document is to be completed and submitted to the Infrastructure Planning Team and the S106 Programme Manager.]*

## Appendices

*[Amend as necessary]*

Appendix A: Recorded Corporate Director's Action Form;

Appendix B: Risk Register;

Appendix C: Project Closure Document

## Project Closure Document

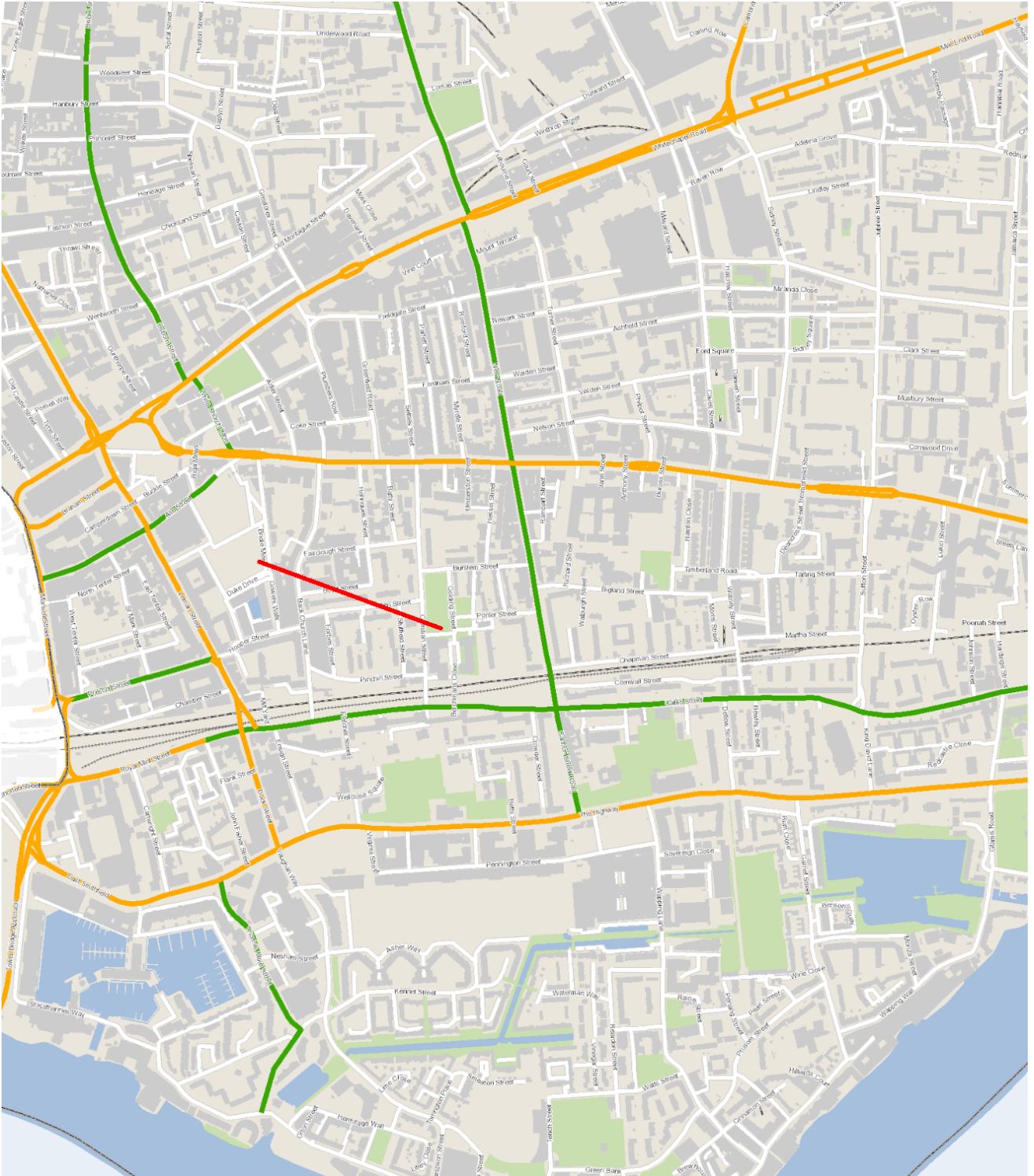
<b>Project Closure Document</b>							
<b>1.</b>	<b>Project Name:</b>						
<b>2a.</b>	<b>Outcomes/Outputs/Deliverables</b> I confirm that the outcomes and outputs have been delivered in line with the conditions set out in the any Funding Agreement/PID including any subsequently agreed variations.	<b>Please Tick ✓</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;"><b>Yes</b></td> <td style="width: 25%;"></td> <td style="width: 25%; text-align: center;"><b>No</b></td> <td style="width: 25%;"></td> </tr> </table>		<b>Yes</b>		<b>No</b>	
<b>Yes</b>		<b>No</b>					
<b>2b.</b>	<ul style="list-style-type: none"> <li>Key Outputs <i>[as specified in the PID]</i></li> <li>Outputs Achieved <i>[Please provide evidence of project completion/delivery e.g. photos, monitoring returns / evaluation]</i></li> <li>Employment &amp; Enterprise Outputs Achieved <i>[Please specify the employment/enterprise benefits delivered by the project]</i></li> </ul>						
<b>3a.</b>	<b>Timescales</b> I confirm that the project has been delivered within agreed time constraints.	<b>Please Tick ✓</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;"><b>Yes</b></td> <td style="width: 25%;"></td> <td style="width: 25%; text-align: center;"><b>No</b></td> <td style="width: 25%;"></td> </tr> </table>		<b>Yes</b>		<b>No</b>	
<b>Yes</b>		<b>No</b>					
<b>3b.</b>	<ul style="list-style-type: none"> <li>Milestones in PID <i>[as specified in the PID]</i></li> <li>Were all milestones in the PID delivered to time <i>[Please outline reasons for any slippage encountered throughout the project]</i></li> <li>Please state if the slippage on project milestone has any impacts on the projects spend (i.e. overspend) or funding (e.g. clawback)</li> </ul>						
<b>4a.</b>	<b>Cost</b> I confirm that the expenditure incurred in delivering the project was within the agreed budget and spent in accordance with PID	<b>Please Tick ✓</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;"><b>Yes</b></td> <td style="width: 25%;"></td> <td style="width: 25%; text-align: center;"><b>No</b></td> <td style="width: 25%;"></td> </tr> </table>		<b>Yes</b>		<b>No</b>	
<b>Yes</b>		<b>No</b>					
<b>4b.</b>	<ul style="list-style-type: none"> <li>Project Code</li> <li>Project Budget <i>[as specified in the PID]</i></li> <li>Total Project Expenditure <i>[Please outline reasons for any over/underspend]</i></li> <li>Was project expenditure in line with PID spend profile <i>[Please outline reasons for any slippage in spend encountered throughout the project]</i></li> </ul>						



5.	<b>Closure of Cost Centre</b> I confirm that there is no further spend and that the projects cost centre has been closed. <ul style="list-style-type: none"> <li>• Staff employment terminated</li> <li>• Contracts /invoices have been terminated/processed</li> </ul>	Please Tick ✓			
		Yes		No	
		Yes		No	
		Yes		No	
6.	<b>Risks &amp; Issues</b> I confirm that there are no unresolved/outstanding Risks and Issues	Please Tick ✓			
		Yes		No	
7.	<b>Project Documentation</b> I confirm that the project records have been securely and orderly archived such that any audit or retrieval can be undertaken.	Please Tick ✓			
		Yes		No	
These records can also be accessed within the client directorate using the following filepath: <i>[Please include file-path of project documentation]</i>					
8.	Lessons learnt				
	<ul style="list-style-type: none"> <li>• Project set up <i>[Please include brief narrative on any issues faced/lessons learned project set up]</i></li> </ul>				
	<hr/> <hr/>				
	<ul style="list-style-type: none"> <li>• Outputs <i>[Please include brief narrative on any issues faced/lessons learned in delivering outputs as specified in the PID, including the management of any risks]</i></li> </ul>				
	<hr/> <hr/>				
	<ul style="list-style-type: none"> <li>• Timescales <i>[Please include brief narrative on any issues faced/lessons learned in delivering project to timescales specified in PID]</i></li> </ul>				
<hr/> <hr/>					
<ul style="list-style-type: none"> <li>• Spend <i>[Please include brief narrative on any issues faced/lessons learned regarding project spend i.e. sticking to financial profiles specified in the PID, under or overspend]</i></li> </ul>					
<hr/> <hr/>					
<ul style="list-style-type: none"> <li>• Partnership Working <i>[Please include brief narrative on any issues faced/lessons learned re: internal / external partnership working when delivering the project]</i></li> </ul>					
<hr/> <hr/>					
<ul style="list-style-type: none"> <li>• Project Closure <i>Please include brief narrative on any issues faced/lessons learned project closure]</i></li> </ul>					

<b>9.</b>	<p><b>Comments by the Project Sponsor including any further action required</b>  <i>[Use to summarise project delivery and any outstanding actions etc]</i></p> <hr style="border-top: 1px dashed black;"/> <hr style="border-top: 1px dashed black;"/>										
<b>10.</b>	<p>The Project Sponsor and Project Manager are satisfied that the project has met its objectives and that it can be formally closed.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Sponsor (Name)</td> <td style="width: 40%;"></td> <td style="width: 15%;">Date</td> <td style="width: 15%;"></td> </tr> <tr> <td>Project Manager (Name)</td> <td></td> <td>Date</td> <td></td> </tr> </table>			Sponsor (Name)		Date		Project Manager (Name)		Date	
Sponsor (Name)		Date									
Project Manager (Name)		Date									

Appendix 1



Map 1. Distance of Bishop Challoner development to Health Centre (315m)

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## **PROJECT INITIATION DOCUMENT**

**(March 2018)**

### **WHITECHAPEL DELIVERY**

**Whitechapel Public Realm Improvements Projects**

## Version Control

Version Number	Author and Job Title	Purpose/Change	Date
0.1	Yoana Tulumbadzhieva, Regeneration Specialist Project Officer	Initial Draft to Programme Manager	07.08.2017
0.2	Yoana Tulumbadzhieva, Regeneration Specialist Project Officer	Final Version to Programme Manager	17.08.2017
0.3	Yoana Tulumbadzhieva, Regeneration Specialist Project Officer	Amended Version following comments made at IDSG meeting in 2017	20.09.2017
0.4	Mahbub Anam, Interim Strategic Project Manager	Amended Version following comments made at IDSG meeting on 31.01.18	19.01.2018
0.5	Mahbub Anam, Interim Strategic Project Manager	Amended Version of the Final Version following comments made at IDB meeting on 06.03.18	08.03.18

### Project Initiation Document (PID)

<b>Project Name:</b>	<b>Whitechapel Delivery: Whitechapel Public Realm Improvements Projects</b>		
<b>Project Start Date:</b>	21 <sup>st</sup> March 2018	<b>Project End Date:</b>	31 <sup>st</sup> March 2020
<b>Relevant Heads of Terms:</b>	Environment		
<b>Responsible Directorate:</b>	Place		
<b>Project Manager:</b>	Mahbub Anam		
<b>Tel:</b>	020 7364 3409	<b>Mobile:</b>	
<b>Ward:</b>	Whitechapel		
<b>Delivery Organisation:</b>	To be procured		
<b>Funds to be passported to an External Organisation? ('Yes', 'No')</b>	No		
<b>Does this PID involve awarding a grant? ('Yes', 'No' or 'I don't know')</b>	No		
<b>Supplier of Services:</b>	To be procured		
<b>Is the relevant Lead Member aware that this project is seeking approval for funding?</b>	Cllr Amina Ali		
<b>Is the relevant Corporate Director aware that this project is seeking approval for funding?</b>	Yes		
<b>Does this PID seek the approval for capital expenditure of up to £250,000</b>	No		

<b>using a Recorded Corporate Director's Action (RCDA)? (if 'Yes' please append the draft RCDA form for signing to this PID)</b>	
<b>Has this project had approval for capital expenditure through the Capital Programme Budget-Setting process or through Full Council? ('Yes' or 'No')</b>	No
<b><u>S106</u></b>	
<b>Amount of S106 required for this project:</b>	£727,450.17
<b>S106 Planning Agreement Number(s):</b>	PA/13/00218 PA/13/01168
<b><u>CIL</u></b>	
<b>Amount of CIL required for this project:</b>	0
<b>Total CIL/S106 funding sought through this project</b>	£727,450.17
<b>Date of Approval:</b>	N/A

**This PID will be referred to the Infrastructure Delivery Board (IDB):**

<b>Organisation</b>	<b>Name</b>	<b>Title</b>
LBTH – Place	Ann Sutcliffe	Acting Corporate Director Place
LBTH – Place	Owen Whalley	Divisional Director Planning & Building Control
LBTH – Resources	Paul Leeson	Business Manager
LBTH – Place	Andy Scott	Acting Service Head for Economic Development
LBTH – Place	Matthew Pullen	Infrastructure Planning Manager
LBTH – Governance	Fleur Francis	Team Leader, Planning Legal
LBTH – Governance	Sophie Chapman	Planning Lawyer



Organisation	Name	Title
LBTH – Governance	Andy Simpson	Business Improvement & S106 Programme Manager
LBTH – Governance	Helen Green	S106 Portfolio Coordinator
LBTH – Governance	Tope Alegbeleye	Strategy, Policy & Performance Officer
LBTH – Governance	Oscar Ford	Service Manager - Strategy, Performance & Resources
LBTH – Health, Adults and Community	Abigail Knight	Associate Director of Public Health
LBTH – Children’s	Janice Beck	Head of Building Development
LBTH – Place	Marissa Ryan-Hernandez	Strategic Planning Manager
LBTH – Place	Paul Buckenham	Development Manager
LBTH – Place	Alison Thomas	Head of Housing Strategy, Partnerships and Affordable Housing Strategy, Sustainability and Regeneration
LBTH – Place	Richard Chilcott	Acting Divisional Director Property and Major Programmes
LBTH – Place	Jonathan Taylor	Sustainable Development Team Leader
LBTH – Place	Abdul J Khan	Service Manager, Energy & Sustainability
LBTH – Place	Christopher Horton	Infrastructure Planning Team Leader

Organisation	Name	Title
LBTH – Place	Vicky Clark	Divisional Director, Growth & Economic Development
LBTH – Place	Matthew Pullen	Infrastructure Planning Manager
LBTH – Governance	Fleur Francis	Team Leader, Planning Legal
LBTH – Governance	Sophie Chapman	Planning Lawyer
LBTH – Governance	Andy Simpson	Business Improvement & S106 Programme Manager
LBTH – Governance	Vicky Allen	S106 Portfolio Coordinator
LBTH –	Tope Alegbeleye	Strategy, Policy & Performance Officer

Organisation	Name	Title
Governance		
LBTH – Governance	Oscar Ford	Service Manager – Strategy, Performance and Resources
LBTH – Health, Adults and Community	Flora Ogilvie	Associate Director of Public Health
LBTH – Children’s	Janice Beck	Head of Building Development
LBTH – Place	Marissa Ryan-Hernandez	Strategic Planning Manager
LBTH – Place	Paul Buckenham	Development Manager
LBTH – Place	Alison Thomas	Head of Housing Strategy, Partnerships and Affordable Housing Strategy, Sustainability and Regeneration
LBTH – Place	Richard Chilcott	Acting Divisional Director, Property & Major Programmes
LBTH – Place	Jonathan Taylor	Sustainable Development Team Leader
LBTH – Place	Abdul J Khan	Service Manager, Energy & Sustainability
LBTH – Place	Christopher Horton	Infrastructure Planning Team Leader

### Related Documents

ID	Document Name	Document Description	File Location
<b>If copies of the related documents are required, contact the Project Manager</b>			
1	Whitechapel Vision Masterplan (2013)	Council strategic planning document	<a href="http://www.towerhamlets.gov.uk/Documents/Planning-and-building-control/Strategic-Planning/Whitechapel-Masterplan-Adopted-Dec-2013.pdf">http://www.towerhamlets.gov.uk/Documents/Planning-and-building-control/Strategic-Planning/Whitechapel-Masterplan-Adopted-Dec-2013.pdf</a>
2	Whitechapel Public Realm and Open space Guidance (2016)	LBTH commissioned evidence base study and guidance	<a href="http://www.enterprisingwhitechapel.org/news/whitechapel-public-realm-open-space-guidance/">http://www.enterprisingwhitechapel.org/news/whitechapel-public-realm-open-space-guidance/</a>
3	Whitechapel Active Spaces Framework	A guiding framework for supporting and delivering place	<a href="http://www.enterprisingwhitechapel.org/wp-content/uploads/2017/03/Active-Spaces-">http://www.enterprisingwhitechapel.org/wp-content/uploads/2017/03/Active-Spaces-</a>

ID	Document Name	Document Description	File Location
<b>If copies of the related documents are required, contact the Project Manager</b>			
		making projects in Whitechapel	Framework.pdf
4	Draft LBTH Open Space Strategy (2017)	Council strategic planning document	
5	LBTH Green Grid Strategy	Council strategic planning document	
6	LBTH Draft Local Plan (2017) Chapter on Open Spaces	Council strategic planning document	<a href="http://towerhamlets-consult.objective.co.uk/portal/planning/newlp/nlpr18/reg18?pointId=s1477058330045#section-s1477058330045">http://towerhamlets-consult.objective.co.uk/portal/planning/newlp/nlpr18/reg18?pointId=s1477058330045#section-s1477058330045</a>

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## **1.0 Purpose of the Project Initiation Document**

- 1.1 The Whitechapel Vision Masterplan (the Masterplan), which was adopted by Tower Hamlets Council in December 2013, sets out an ambitious agenda for a transformational change in Whitechapel, building on the arrival of Crossrail in 2019 and the proposed move of the Council to a new civic centre in the Old Royal London Hospital by 2022, including the support and creation of 7 new public spaces.
- 1.2 One of the key initiatives of the Whitechapel Vision Masterplan is to create and deliver 7 new public open spaces. The proposed projects in this PID aim to support the creation of these public spaces and start to animate places which invite people to dwell and enjoy. All the projects have a common theme of public realm and open space improvements across the Whitechapel Masterplan area and are linked to specific sites within that area.
- 1.3 The consultation undertaken to develop the Masterplan highlighted some of the concerns of the community in Whitechapel among which are lack of open space, lack of quality public realm and fear of crime and anti-social behaviour. The work on the Masterplan also identified that providing active street frontages along key routes and improving the quality of the streetscape will create friendlier and safer streets, contribute to resident well-being and help further attract investment in the area.
- 1.4 Throughout the Whitechapel Open Spaces Phase 1 project a multidisciplinary team of architects, landscape architects and engineers was procured to produce a public realm study and establish a design framework for all public realm and open space in Whitechapel that provides a coherent response to the intensification and transformation expected in the area in the next 15 years. The study was undertaken throughout 2016 and it is now known as the Whitechapel Public Realm and Open Space Guidance (the WPROSG).
- 1.5 There has been a significant investment of revenue funding and resources from the Whitechapel Vision Delivery Team in understanding the challenges and opportunities for public realm initiatives in Whitechapel and there is a desire to steer the implementation of some of these opportunities in the form of physical delivery.
- 1.6 This Project Initiation Document (PID) will define the Whitechapel Public Realm Improvements Projects and bring together the key components needed to start the

project on a sound basis. It also provides the basis for building the principles of project management into the project right from the start by confirming the business case for the undertaking, ensuring that all stakeholders are clear of their role, agreeing important milestones, and ensuring that any risks involved have been assessed. The primary purposes of this PID are to:

- Justify the expenditure of S106 contributions on the named project which will provide the IDSG with a sound basis for their decision;
- Provide a baseline document against which the Project Team, Project Manager (and in some cases) the Project Board can assess progress and review changes.

1.7 In order to meet the public realm and open space improvements proposed through the Masterplan and the supporting studies, a wide ranging programme of enhancements will be necessary. The Whitechapel Team will undertake further public engagement to define further this programme and will then seek funding to support the delivery of multiple interventions. This PID seeks to secure funding for the delivery of a small number of up front projects that are deemed well advanced and/or urgent in nature. Their delivery will not undermine the longer term programme or the need to engage local people before implementing more wholesale delivery. More specifically, the proposed works around the Chicksand Estate has already been subject to considerable engagement with local people and collaborative development of the plans. This is a long term aim of both the Council and local residents and is in a place to deliver improvements in good time. The Brady Street and Durward Street projects are required to be delivered in advance of the wider programme in order to dovetail with the programme for the delivery of the new Crossrail station.

#### 1.8 **Key Project Delivery Objectives:**

- To help deliver high quality, attractive and functioning public realm and open spaces as set out in the 2013 adopted Whitechapel Vision Masterplan Supplementary Planning Document (SPD).
- To initiate partnership working to attract inward investment and secure the buy in of key partners in sponsoring further implementation of public realm improvements in Whitechapel.
- To capture the principle of creating a sense of civic pride amongst the community in delivery of the Public Realm Improvements Projects through encouragement of placemaking initiatives.
- To improve public perceptions and impressions as well as the overall experience

within the Whitechapel District Town Centre.

- To promote the Public Realm Improvements Projects as part of the delivery of the Whitechapel Vision and with this achieve wider community awareness of regeneration activities in Whitechapel.
- To achieve benefits for existing residents by enhancing their health and well-being, leisure, play and educational opportunities through an improved and integrated townscape.
- Invest in projects that are likely to achieve high amenity value through physical improvements and gauge user's input through engagement activities.
- To encourage the trial use of underperforming open spaces and utilise adjacencies to maximise the value of improvements.

1.8 A schedule of works defining the outputs of each project in more detail is attached as an Appendix 1 to this document.

## **2.0 Section 106/CIL Context**

### Background

2.1 Section 106 (S106) of the Town and Country Planning Act 1990 allows a Local Planning Authority (LPA) to enter into a legally-binding agreement or planning obligation with a developer over a related issue. Planning Obligations/S106 agreements are legal agreements negotiated between a LPA and a developer, with the intention of making acceptable development which would otherwise be unacceptable in planning terms.

2.2 CIL is a £ per square metre charge on most new development. In April 2015, the council adopted its own CIL Charging Schedule. CIL must be spent on the provision, improvement, replacement, operation or maintenance of infrastructure, where a specific project or type of project is set out in the [Council's Regulation 123 List](#).

2.3 On the 5<sup>th</sup> January 2016, the Mayor in Cabinet agreed the implementation of a new Infrastructure Delivery Framework which will help ensure the process concerning the approval and funding of infrastructure using CIL/S106 will be appropriately informed and transparent.

### S106

2.4 Section 106 (S106) of the Town and Country Planning Act 1990 allows a LPA to

enter into a legally-binding agreement or planning obligation with a developer over a related issue. Planning Obligations/S106 agreements are legal agreements negotiated, between a LPA and a developer, with the intention of making acceptable development which would otherwise be unacceptable in planning terms.

2.5 This S106 PID is part of the Tower Hamlets Council S106 Delivery Portfolio and is aligned with the agreed Heads of Terms (HoT) for the Deed creating Planning Obligations and undertakings for the following developments:

<b>Planning Application</b>	<b>Site Address</b>	<b>Funding Requirements</b>	<b>PA amount</b>	<b>Amount allocated to Project</b>	<b>Expiry Date of Contribution</b>
PA/13/00218	Aldgate Place	Provision of new open space or improvements to existing open space in the following locations (in order of priority) (a) Whitechapel Ward, (b) wards adjoining Whitechapel ward, (c) and other parts of the borough.	£863,392	£676,704.24	31.10.2024
PA/13/01168	100 Whitechapel Road	For public realm improvements in the borough.	£50,743.93	£50,743.93	5 years from the date of practical completion

CIL

2.6 This PID does not seek approval for the expenditure of CIL funding.



### **3.0 Legal Comments**

- 3.1 Legal Services considers the Whitechapel Public Realm Improvements Projects to satisfy the terms of the S106 agreements set out at paragraph 2.5 above.
- 3.2 This PID reflects the various parties' intentions at the time the agreements were entered that the financial contributions would be used by the Council either towards providing new open space, improving existing open space or improving public realm. The overview of the projects in paragraphs 4.6 to 4.8 is helpful in showing how the money shall be used and will meet the intentions of the s106 agreements.
- 3.3 PA/13/00218 is clear that the contribution is only to be used for either the provision of new open space or improvements to existing open space and so officers are advised to ensure that this money is ringfenced only to those projects which concern open space. The contribution further requires that the money is used as a first priority in the Whitechapel Ward; it is clearly evident that the projects proposed shall all be based in this area.
- 3.4 PA/13/01168 is clear that the contribution is to be used by the Council for public realm improvements and so as already advised in para 3.3, officers should ensure this money is ringfenced to those projects which meet this purpose.
- 3.5 Subject to the above comments, we consider the funding for this PID to be in accordance with the purposes for the contributions under the S106 agreements.
- 3.6 When approving this PID, 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.
- 3.7 These comments are limited to addressing compliance with the terms of the S106 agreements mentioned above (as based on the information detailed in the PID) and advice on any other legal matters (such as advice on procurement) should be sought separately if appropriate.

### **4.0 Overview of the Project**

- 4.1 The projects will deliver part of the priority public realm interventions identified under the public realm and open space studies for Whitechapel. This PID includes a

Project Manager and Specialist Officer roles to support and steer design, delivery and day to day management.

4.2 In 2016 the Whitechapel Delivery Team commissioned and subsequently published two studies tasked with analysing the existing conditions of public realm and open space in Whitechapel to identify the potential long-term improvements as well as propose solutions for interim activities to uplift the use of open space in Whitechapel. Both studies, namely the Whitechapel Public Realm and Open Space Guidance and the Whitechapel Active Spaces Framework, have come out of the Whitechapel Vision Masterplan and provide the next level of design guidance and a response to the vision of lively streets and high quality public realm and open space. The main findings from both studies have shown that there is:

- Lack of well performing public space in the Whitechapel Masterplan Area
- Poor distribution of open space
- Lack of areas to encourage sporty, active use
- Lack of quality and quantum of open space
- Lack of trees and urban greening
- Vehicle dominated environment where infrastructure for pedestrians is not well represented
- Lack of amenity space to support existing civic uses
- Poor environment conditions and cumulative impact of development putting stress on available open space in the area

4.3. Collectively the studies have identified a number of projects to tackle these issues and deliver improvements to the public realm environment in Whitechapel. The complete bank of projects includes both interim and medium to long-term proposals with a total estimated cost of approximately £15m.

4.4. To help prioritise investment the Whitechapel Delivery Team has devised a prioritisation methodology and matrix which provides a scoring to each project by giving consideration to a range of criteria, including: availability of internal funding for the project and potential to attract match funding, on-going finance requirements, wider benefits and implications, deliverability, context of project and proximity to other forthcoming development projects in the area, land ownership, Whitechapel Masterplan fit and Corporate Strategy fit.

4.5. This matrix has been applied together with a wider rationalisation of the long list of proposed projects to assess the need and impact of individual interventions in order to bring forward those that are deliverable within shorter to medium term timescales

and represent a potential to bring the most tangible benefits to all in Whitechapel within the set timescales.

4.6. This PID consists of the following priority projects, organised under two themes:

**Streets Are Spaces Too** – projects that highlight streets as an integral part of the public realm and help to improve the experience of pedestrians and support the creation of more and pleasant walking routes through Whitechapel, in line with the public open space priorities and secondary pedestrian loop routes identified by the Whitechapel Vision Masterplan (please refer to figure 10 on page 13 of the Masterplan document). The work on the Masterplan and subsequent studies has highlighted the acute shortage of public open space in Whitechapel. As such recommendations from the studies are to ensure available spaces are assessed holistically and opportunities for providing public amenity are considered across urban thresholds through design and implementation. The delivery of these projects and related spend of s106 funding will look to ensure that elements of the projects related to works on the highway are allocated to planning application PA/13/001168 and works related to achieving open space and related amenity outputs are allocated to planning application PA/13/00218.

### **1. Durward Street**

4.7 Durward Street currently houses the northern exit to Whitechapel Station and is due to be upgraded prior to the arrival of Crossrail in late 2018. The area is within one of the key areas of transformation as per the Whitechapel Vision and it is envisaged that pedestrian needs will be significantly increased after the full completion of the station and its follow up official opening. The Whitechapel Masterplan identifies Durward Street as forming part of a secondary pedestrian loop running parallel to Whitechapel Road that provides the opportunity to achieve a public space along the route. Initial plans have been prepared by Crossrail for public realm improvements in the vicinity of the station and the potential reinstatement of a public open space that was previously located on the land of the temporary ticket hall that is still in use. This project is an opportunity to incorporate the improvements proposed by Crossrail and build upon those to arrive at a more comprehensive scheme that achieves high quality public open space, creates a sense of arrival, as well as an opportunity to make the nearby Whitechapel Sports Centre more visible to an increased footfall and passenger numbers. This will be ensured through focused meetings with Crossrail representatives and their involvement and participation on the Project Board.

## 2. Brady Street

- 4.8 Brady Street currently provides a key connection to local amenities, including the Whitechapel Idea Store and the Swanlea School. Furthermore, with the arrival of Crossrail in late 2018, the route is likely to experience higher footfall drawn in from the proposed back entrance to Crossrail station on Durward Street. Proposals include traffic-calming interventions in order to provide more space for pedestrians and slow the traffic flow, as well as enhanced square along Brady Street to provide inviting and sociable space along the route, with greening to further enhance the pedestrian experience.

**Open Spaces** – projects that seek to improve existing open land and introduce new uses to under-utilised spaces in order to enable a more diverse range of activities within open spaces and promote health and well-being among local residents.

3. **Grow It Here** – bringing forward one of the priority pilot projects from the Whitechapel Active Spaces Framework. The “Grow it Here” project will seek to unlock under-utilised available land on Whitechapel’s Estates to re-introduce as growing plots to local residents. The project will present more opportunities for local residents to be involved in growing initiatives in their area.

4. **Chicksand Estate Landscape Improvements and Montague Shared Green** – It is proposed that these projects are progressed together due to the proximity of the sites and the shared objective they have of improving available open space for local residents and unlocking more opportunities for community activities on available land. A Landscape Improvement Plan for the Estate was completed in 2016 and this project will bring forward the first phase of proposed physical interventions.

- a. **Chicksand Estate Landscape Improvements – Kingward House Green** - it is proposed that this PID will provide a top up to the existing S106 funding allocated to landscape improvements at the Chicksand Estate through the Pocket Parks PID (consisting of a total of £48,000) in order to support an extended programme of improvements to maximise the use of the space available and deliver wider benefits for estate residents. Improvements will focus on the underused green space between Kingwood and Bloomfield House to transform it into a welcoming

and safe space for children and adults. Tower Hamlet Homes, who lease the land in question from LBTH, have been informed of the proposed interventions through the initial Chicksand Estate Landscape Plan that was completed in 2016 and have shown continuous support for the delivery of the improvements. They will be re-engaged through the re-design of the original proposals and subsequent delivery through targeted meetings and their participation in the Project Board described under section 6.0 of this document.

- b. **Montague Shared Green** – project to improve an underused grassed space at the Western end of Old Montague Street and re-introduce it to the public. Interventions to include planted seating edge, more greening to improve amenity, introduction of growing plots and water supply to invite community growing and encourage residents to take ownership and care for the space. Tower Hamlet Homes, who are owners of the land, had previously been supportive of the location of a community garden on that piece of land. The Whitechapel Delivery Team will be re-engaging with the landowner to assert that, but we believe there will be support from the landowner to create amenity space at the Montague site through landscaping initiatives before longer-term proposals are considered in detail for this site.

## 5.0 Business Case

### Overview/General

- 5.1 The open space studies completed last year for Whitechapel, which build on the objectives set out in the Masterplan, and provide the basis and justification for the projects included in this PID.
- 5.2 The studies have highlighted a range of challenges and identified opportunities to tackle these challenges, including:
  - Cater for planned increased footfall in the area, especially in the context of Crossrail station opening planned for December 2018.
  - Create gateways and a sense of entrance into the town centre area and reinforce Whitechapel as a destination.
  - Rationalise existing streetscape and deliver high quality public realm accessible to all.
  - Activate under-utilised spaces in the Masterplan area.

- Promote interventions that boost community health and well-being for residents, workers and visitors.
- Provide active spaces for use throughout the day and into the evening.

### Project Drivers

- 5.2 Significant change is expected in Whitechapel in the next 10-15 years as larger developments within the Masterplan area come to fruition. The demographics are expected to transform and large increase in population as well as future developments expected to be at higher densities will create pressure to existing open spaces and public realm. The arrival of Crossrail will also see a significant rise in the numbers of passengers arriving in the area, putting further stress on streets and public realm and increasing the need for a well-designed and connected pedestrian environment. As a result the network of streets, public realm and open spaces in Whitechapel will have to work harder to cater and be attractive to an increased variety of users.
- 5.5 London Borough of Tower Hamlets is in the process of preparing its design proposals for the new Civic Centre at Whitechapel in the former Royal Hospital. Increased day-time work-day population as a result of the completion of the new Civic Centre will require public realm and open spaces in Whitechapel to work harder to provide for the demand. Initial plans suggest that the external public realm to the north of the building along Whitechapel Road will be re-designed to provide fully accessible environment that is enhanced through landscaping and public amenity. The external public space to the south of the building is owned by Barts NHS and discussions between stakeholders on the future of that space, known as the London Square, are progressing. Any public realm proposals will be tied into the concepts and proposals for the London Square and the external public realm of the new Civic Centre as necessary.
- 5.3 Improvements to the public realm in Whitechapel are crucial to ensure there is a visual signal of positive change happening in the area and that Whitechapel is changing, enforcing a sense of destination and helping boost footfall.
- 5.6 The PID aims to address the challenges that the Whitechapel area faces via a range of interventions as set out below.

### **Transforming the Public Realm**

- 5.7 The study area requires significant and comprehensive public realm improvements

to transform the appearance of key spaces, and lift and regenerate the Whitechapel area as a whole. Practical interventions will:

- Deliver pedestrianised streets, or at the very least highly shared spaces, and subsequently rationalise street furniture to provide more generous streetscapes.
- Embellish existing open spaces by removing unnecessary barriers and enhancing the offer of play space.
- Consider key linkages and connections in the study area, and enhance them to better integrate local schools, businesses, open spaces, estates, and civic uses, and accordingly improve visibility and accessibility of local assets.

### **Activating Spaces**

5.8 There is a quantum of under-utilised land and development sites within the study area and opportunity for meanwhile interventions to demonstrate how activities can be hosted and also set a precedent for spaces.

- Projects will comprise a community health and well-being aspect, for instance the provision of seating and planting along Montague Street.
- Allow for meaningful engagement with a variety of user groups early-on and enable the Council to measure both positive and negative impacts and perceptions and base forward decisions on this evidence.

### **Added Value**

5.9 The continued Council's investment in this project initiative will help to improve the perception and image of Whitechapel, to attract inward investment and provide the community with confidence that the Council is commencing to lead the delivery of the Whitechapel Vision Masterplan. The proposed public and private investment value of the regeneration is estimated in the Masterplan to be around £900 million and, therefore, it is essential that the Council gives the confidence to these stakeholders that it is making a clear commitment to physical regeneration in Whitechapel. The delivery of priority interventions will assist in maintaining the momentum and interest in the project. It is, therefore, considered, that this investment of S106 monies as an upfront investment in the public realm will secure future investments and, importantly, the confidence of the Borough's residents and commercial market that regeneration in Whitechapel is developing/progressing.

### Deliverables, Project Outcomes and Benefits

5.10 The projects will produce the following **outcomes**:

- Supporting the use of existing and newly improved public realm and open spaces as places for the local community to come together promoting civic

pride and encouraging community cohesion.

- Involving the local community in creating and delivering publicly accessible and meaningful spaces.
- To encourage and support the development of new types of connectivity among the diverse residents and visitors to Whitechapel in the built environment.
- Reinforce character and sense of place in Whitechapel to ultimately improve the everyday experience of residents, visitors and workers in the area.
- Achieve accessible, healthier and vibrant amenity spaces for all in Whitechapel.
- Improve quality of life and experience for all in Whitechapel.

5.11 Specific project **deliverables**, that will contribute to these outcomes include:

- Concept designs for schemes to improve the public realm in the study area.
- Community involvement and outreach reports as required by individual projects.
- Community outreach events and activities and subsequent evidence and engagement reports that would help inform the ultimate project deliverables.
- Detailed design specifications for taking projects forward into physical delivery on each individual project.
- Management plans – ensuring that the management of newly improved spaces is carefully considered and planned to cater for an increased use, according to changing demographic profiles in Whitechapel.
- Physical improvements to streetscapes – i.e. newly paved areas, installation of public seating, de-cluttering, art installations, growing plots, new trees and landscaping, enhanced greening, incidental play and street furniture, etc.

#### Other Funding Sources

5.12 Presently the projects do not have other funding sources allocated to them. The Whitechapel Delivery Team is and will continue to explore opportunities for external match-funding in order to invest into a larger programme of public realm improvements in line with the projects prioritised as part of this PID. If funding from this current PID is successfully secured, the team will explore opportunities to leverage this internal S106 funding to secure match funding both internally as well as through external resources from the GLA, Big Lottery Fund or other funding bodies.

#### Related Projects



5.13 There are a couple of projects that are in the process to be delivered by other teams within Tower Hamlets that have an overlap with the projects proposed in this PID, namely:

- Ford Square
- Cavell Street Gardens
- Town Hall
- London Square
- Green Spine

## **6.0 Approach to Delivery and On-going Maintenance/Operation**

6.1 The Project Manager will ensure that there is effective participation and involvement with the local community, including local residents, local schools, community organisations and other agencies in the development and delivery of individual projects.

6.2 Key stakeholders in the Whitechapel Masterplan area including TfL, the GLA, Barts Health NHS Trust, Queen Mary University of London, Sainsbury's, London Newcastle and London and Quadrant Housing will be engaged in relevant projects. Where it is advantageous, partnerships with other organisations such as Crossrail and local voluntary and arts sectors will be encouraged. These stakeholders will be invited to participate and invest in individual projects following the approval of the PID and project briefs agreed.

6.3 Suitable consultants will be procured through the standard Tower Hamlets procurement process to undertake the work on delivering the priority projects identified.

6.4 The Schedule of Works attached as Appendix 1 sets out individual projects in more detail in terms of the type of works proposed and the start and completion date. The projects will be led by the Project Manager and reviewed by the Whitechapel Delivery Team on a regular basis. They will report quarterly to a Project Board that will be specifically set up by the Whitechapel Team. The Project Board will include representation from across Tower Hamlets, including Park, Highways, Public Health, Capital Delivery, and will collectively decide on and devise the roles and responsibilities on individual projects. Input on individual projects will be required from different departments and the right level of input will be decided through the Project Board.

- 6.5 The feasibility, design and engagement stages of each project will be carried out by external consultants procured through the standard Tower Hamlets procurement process working closely with the Project Manager to ensure outputs are met within set timescales and value for money is enhanced through the lifecycle of the scheme.
- 6.6 The implementation of capital works on selected projects will be managed by the Council's Capital Delivery Team or the Highways Team, as appropriate. Close supervision will be provided by the Whitechapel Delivery Team Project Manager to ensure that vision and objectives set out in the beginning are met and achieved through the delivery stage of projects.
- 6.7 The individual projects will be monitored through the Project Board to ensure each scheme is on target with regard to spend and timescales.
- 6.8 This PID has been developed for the purposes of securing the required funding for the delivery of projects identified through the Phase 1 Whitechapel Public Realm and Open Space Guidance.

## **7.0 Infrastructure Planning Evidence Base Context**

- 7.1 The projects are referred to in the Infrastructure Delivery Framework and are consistent with the projects proposed within the Framework to help meet the Council's needs.
- 7.2 The Whitechapel ward is given an "area of high need" prioritisation, please refer to page 90, and table 31 of the IDF.
- 7.3 Two main project references to Whitechapel can be found in the Infrastructure Planning Delivery Framework in relation to publicly accessible open space. One refers to the creation of a new publicly accessible open space within the Goodman's Fields development which is being progressed through the development process. The second reference is to various open spaces that form part of the implementation of the Whitechapel Masterplan. The priority of both projects is marked as "area of high need".

## **8.0 Opportunity Cost of Delivering the Project**

- 8.1 The S106 contributions allocated for this project are specifically assigned for the

delivery of public realm improvements within the Whitechapel Masterplan Area. As such the use of the identified S106 funds to deliver projects to improve the public realm are consistent with the funding requirements associated with the Planning Application identified.

## 9.0 Local Employment and Enterprise Opportunities

9.1 The project will be delivered through a combination of existing term contractors to the council and new procurements. The Council’s procurement processes contain provisions to ensure that contractors deliver appropriate community benefits including local employment and enterprise opportunities over the contract term.

## 10.0 Financial Programming and Timeline

### Project Budget

<b>Table 1</b>			
<b>Financial Resources</b>			
<b>Description</b>	<b>Amount</b>	<b>Funding Source</b>	<b>Funding (Capital/ Revenue)</b>
Design fees	£54,000.00	S106	Capital
Durward Street	£113,000.00	S106	Capital
Brady Street	£120,450.17	S106	Capital
Grow It Here	£40,000.00	S106	Capital
Chicksand Landscape Improvements	£150,000.00	S106	Capital
Montague Shared Green	£25,000.00	S106	Capital
Contingency allowance for the Chicksand Landscape Improvements	£25,000.00	S106	Capital
Project Management (Project Manager and Specialist Project Officer)	£100,000.00	S106	Revenue
Contingency allowance	£100,000.00	S106	Capital

<b>Table 1</b>			
<b>Financial Resources</b>			
<b>Description</b>	<b>Amount</b>	<b>Funding Source</b>	<b>Funding (Capital/ Revenue)</b>
<b>Total (exclusive of VAT)</b>	<b>£727,450.17</b>		

- 10.1 Any contingency that remains unused will be used for additional S106 works within the Whitechapel Masterplan Area to support the delivery of an extended portfolio of public realm and open space improvement projects that aim to achieve the objectives as set out in section 1.7. Alternative options for projects are listed under Appendix B: Options List and shown on the map under Appendix C. Any underspend on Project Management costs will be re-allocated and spent on project delivery.
- 10.2 Projects from the Options List presented under Appendix B will also be progressed in the case that major and unresolvable issues arise with the above projects, adversely affecting delivery within the set timescales. In the event of this occurring, the Project Board will be duly consulted on the projects to be progressed and any need for re-allocation of the budget. The options list showing projects that can be further undertaken is attached to this document as Appendix B.

### Project Management

- 10.2 The Project will be managed in house by the Whitechapel Vision Delivery Team and delivery of the projects will be steered by the Whitechapel Public Realm Improvements Board.

### Financial Profiling

<b>Table 2</b>									
<b>Financial Profiling</b>									
<b>Description</b>	<b>Year 2018</b>				<b>Year 2019</b>				<b>Total</b>
	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	
Durward Street		£6,000	£8,000	£111,000					<b>£125,000</b>
Brady Street				£4,000	£2,000	£5,000	£124,450.17		<b>£135,450.17</b>
Grow It Here					£5,000	£32,000	£3,000		<b>£40,000</b>
Chicksand Landscape Improvements		£7,000	£7,000	£3,000	£160,000				<b>£177,000</b>
Montague			£5,000	£10,000	£10,000				<b>£25,000</b>

Shared Green								
Chicksand Landscape Improvements Contingency			£25,000					<b>£25,000</b>
Project Management Contingency		£20,000	£20,000	£20,000	£20,000	£20,000		<b>£100,000</b>
		£25,000	£25,000	£25,000	£25,000			<b>£100,000</b>
<b>Total</b>	<b>£13,000</b>	<b>£65,000</b>	<b>£198,000</b>	<b>£222,000</b>	<b>£82,000</b>	<b>£147,450.17</b>		<b>£727,450.17</b>

Outputs/Milestone and Spend Profile

<b>Table 3</b>			
<b>Project Outputs/Milestone and Spend Profile</b>			
<b>ID</b>	<b>Milestone Title</b>	<b>Baseline Spend</b>	<b>Baseline Delivery Date</b>
1	Concept Design and Consultation	£27,000	October 2018
2	Detailed Design	£27,000	August 2019
3	Implementation of Works	£445,450.17	September 2019
4	Evaluation	£3,000	April 2019
5	Project Manager and Specialist Officer to oversee delivery of the projects	£100,000	September 2019
6	Contingency provision for capital works.	£125,000	September 2019
<b>Total</b>		<b>£727,450.17</b>	

## 11.0 Project Team

11.1 Information regarding the project team is set out below:

- Project Sponsor: Owen Whalley (Divisional Director Planning and Building Control)
- Project Manager: Mahbub Anam (Interim Strategic Project Manager Whitechapel Vision Delivery Team)

## 12.0 Project Reporting Arrangements

Table 4				
Group		Attendees	Reports/Log	Frequency
IDSG	Sub Group	Numerous – defined in ToR.	Monitoring Report	Quarterly
IDSG		Numerous – defined in ToR.	Monitoring Report	Quarterly
IDB		Numerous – defined in ToR.	Monitoring Report	Quarterly
S106 Programme Delivery		Finance S106 Programme Manager, WVDT officer	Forecast vs Actual Spend and Delivery against set outputs; Key Issues and Risks Log; Benefits Outcome Monitoring.	Quarterly
Public Realm Improvements Programme Board		WVDT Project Manager, Relevant Senior Representatives from Capital Delivery Team, Highways Team, Public Health Team, Public Realm Team	Key risks and issues; Potential links with other projects in delivery by other teams; Forecast vs Actual Spend and Delivery of outputs.	Quarterly
Project Working Group		WVDT Project Manager, Appointed Project Consultants, Key internal or external stakeholders as identified per individual projects, i.e. Highways, Public Health, Public Realm, Tower Hamlets	Project development, design and implementation.	Monthly and also ad hoc as required by the needs of individual projects.

Table 4			
Group	Attendees	Reports/Log	Frequency
	Homes, etc.		

### 13.0 Quality Statement

13.1 The quality of the project will be assured through regular monthly monitoring to be undertaken in accordance with existing protocols and policy requirements. Outcomes will be highlighted and reports on progress provided to the individual project Working Groups and when required to the Project Board.

### 14.0 Key Risks

14.1 The key risks to this project are set out in the Table 6 below:

Table 5							
Risk No.	Risk	Triggers	Consequences	Controls	Likelihood	Impact	Total
1	Cost of individual projects exceeds budget following detailed feasibility.	Increase scope	Reduce scope of deliverables to fit within budget constraints. Use of contingency budget.	Ensure project budgets are based on robust technical feasibility.	3	2	2
2	Delay in finding suitable consultants through procurement within required timescales.	Delays in delivery	Delay in project delivery.	Allow contingency time for an extended timescales for procurement to ensure suitable consultants on board for a successful delivery.	2	2	2
3	Lack of engagement with local user groups.	Low numbers of local users involved.	Review engagement techniques and seek further activities to gauge local	Early-on engagement and identification of user groups and stakeholders.	2	2	2

<b>Risk No.</b>	<b>Risk</b>	<b>Triggers</b>	<b>Consequences</b>	<b>Controls</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Total</b>
			interest				
4	Individual projects overrun.	Changes to implementation of the work programme	Delay in delivery/completion of improvements	Projects will be monitored through the Project Board.	3	3	3

## 15.0 Key Project Stakeholders

15.1 The principal stakeholders are shown in Table 6 below and will be engaged from the earliest stages of the project and through to project closure. The key stakeholders will be engaged as required, after delivery is completed.

<b>Key Stakeholders</b>	<b>Role</b>	<b>Communication Method</b>	<b>Frequency</b>
The Mayor and Lead Member for Public Realm	Accountable for the delivery of strategic objectives and spend of S106	Briefing notes and 1 to 1 meetings	Project inception, project development, approval of project delivery
Local residents and businesses	Impact of projects on local access/trade. Opportunities for involvement in proposed activities.	Letter/Leaflet/Verbal communication at engagement events; social media (e.g. twitter); East End Magazine	During consultation and/or engagement activities as part of projects
Key landowners in the area	Barts, Queen Mary University, Sainsbury's, TfL	Progress/Highlight reports	Quarterly (or monthly as required by the needs of individual projects)
Elected members in concerned Wards	Accountable for delivery of strategic objectives	Mainly through email	Notification on planned activities/improvements in their respective areas and



Table 6			
Key Stakeholders	Role	Communication Method	Frequency
			seeking advice and feedback
Crossrail	Impact and overlap with planned improvements, especially around Durward Street	Email and meetings with representatives (at office and on site)	Development of individual projects, design and implementation of works
Internal stakeholders (Public Realm, Public Health, Capital Delivery Team, etc)	As required by individual projects	Email and meetings	Project inception, project development, approval of project delivery

## 16.0 Stakeholder Communications

### 16.1 Consultation up to now

Two studies have been commissioned and completed that have identified key issues and proposed solutions in relation to public realm, open space and interim opportunities in the Whitechapel Masterplan area, namely the *Whitechapel Public Realm and Open Space Guidance (2016)* and the *Whitechapel Active Spaces Framework (2016)*. Both studies were underpinned by extensive consultation, stakeholder engagement and focus groups. Similarly, a Landscape Improvement Plan for the Chicksand Estate was completed on the basis of extensive co-design activities undertaken with local residents and community groups based at the Estate. Furthermore, Crossrail have consulted on their proposals through their Liaison Meeting which is attended by residents from Kempton Court and Collingwood Estate. These proposals from this Whitechapel Public Realm Improvements Projects PID have been presented at the Crossrail Liaison Meeting in October 2017 as well as the Whitechapel Housing Forum in November 2017.

### 16.2 Stakeholder engagement

Communication plans will be prepared for individual projects as required and necessary, responding to the needs of each project. The key messages that the projects will seek to get across are:

- Communicating opportunities for the involvement of the public in specific projects;

- Use every opportunity available to communicate success and positive change;
- Reporting progress on delivery against set outputs and against spend;
- Communicating the benefits of individual projects to residents, businesses and other stakeholders in the area.

Extensive engagement with stakeholders, residents, businesses, relative community groups (and other user groups as required by the needs of individual projects) will be carried out on individual projects through consultation events and design workshops where participation and collaborative design will be encouraged. This will be an integral part of consultant briefs. Skills in participatory design and meaningful stakeholder engagement will be important requirements in the selection process.

### 16.3 Related Projects

There are also projects led by internal colleagues which have a clear overlap with the projects proposed under the Whitechapel Public Realm Improvements Projects PID. WVDT are working closely with the internal teams that are developing those projects and will seek to make the most of opportunities for cross promotion of consultation events as well as utilising them as additional opportunities to gather feedback and understand concerns and needs of residents.

#### London Square

We are working closely with the Civic Centre project team to shape proposals for the development of the London Square and make the most of opportunities from planned consultation events.

#### Ford Square and Cavell Street Gardens

Initial consultation on the project for landscape and play improvements at Ford Square and Cavell Street Gardens is currently scheduled for May-June. The Whitechapel Delivery Team has been involved in this project from the start, led by the Capital Delivery Team, and will be taking part in the consultation activities.

### 16.4 Wider Public Realm Improvements Programme for Whitechapel

In order to meet the public realm and open space improvements proposed through the Masterplan and the supporting studies, a wide ranging programme of enhancements will be necessary. The Whitechapel Team will undertake further public engagement to define further this programme and will then seek funding to support the delivery of multiple interventions. This PID seeks to secure funding for the delivery of a small number of up front projects that are deemed well advanced

and/or urgent in nature. Their delivery will not undermine the longer term programme or the need to engage local people before implementing more wholesale delivery.

## 17.0 Project Approvals

The PID has been reviewed and approved by the Chair of the IDSG and the Divisional Director for the Directorate leading the project.			
Role	Name	Signature	Date
IDSG Chair	Ann Sutcliffe		
Divisional Director, Place	Owen Whalley		

## 18.0 Project Closure

- 18.1 Once this project has been completed a project closure document will be completed and submitted to the Infrastructure Planning Team and the S106 Programme Manager.

## Appendices

Appendix A: Schedule of Works

Appendix B: Options List

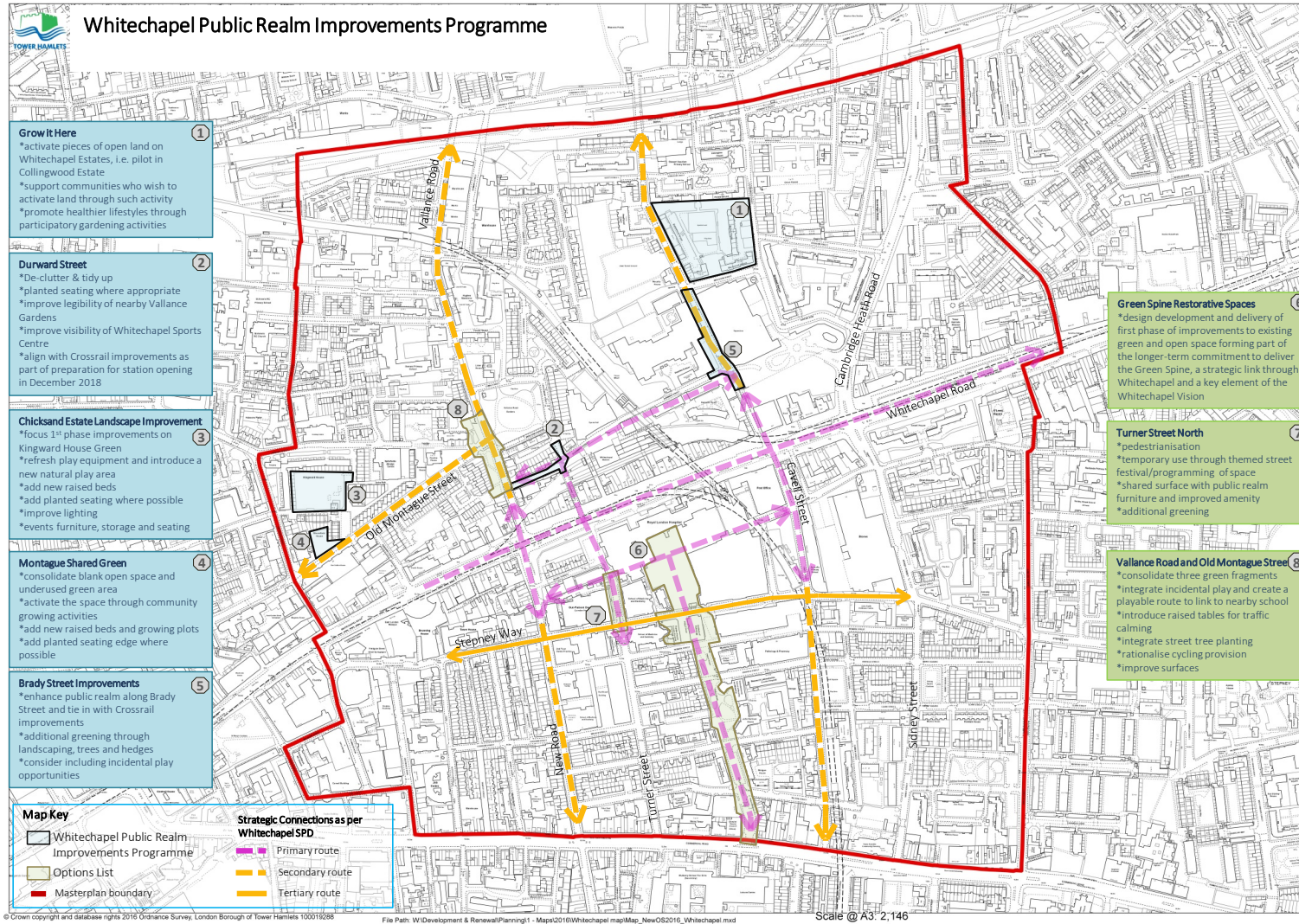
Appendix C: Map of Projects

Appendix D: Project Closure Document

## Appendix B

### Options List

Theme	Address/Name	Proposal	Current Cost Estimate
Street as Amenity	Turner Street North	Improvements to the pedestrian link to Whitechapel Road at the North side of Stepney Way, with three planting, street furniture provision and SUDs, incidental play opportunities. Street to be tested as pedestrian/cycle only.	£ 135,000.00
Open Spaces	Green Spine Restorative Spaces	Design development and delivery of first phase of improvements to existing green and open space forming part of the longer-term commitment to deliver the Green Spine. A strategic link through Whitechapel and a key element of the Whitechapel Vision, the Green Spine will provide an active green route between Commercial Road and Whitechapel Road through a series of well-designed spaces for the community to enjoy, relax and socialise within.	£ 200,000.00
Street as Amenity	Vallance Road and Old Montague Street	Consolidate three green fragments; continuation of playable route to link nearby schools; raised tables; rationalising cycling provision, integrate street tree planting, incidental play.	£ 340,000.00



## Appendix D

Project Closure Document			
<b>1.</b>	<b>Project Name:</b>		
<b>2a.</b>	<b>Outcomes/Outputs/Deliverables</b> I confirm that the outcomes and outputs have been delivered in line with the conditions set out in the any Funding Agreement/PID including any subsequently agreed variations.	<b>Please Tick ✓</b>	
		<b>Yes</b>	<b>No</b>
<b>2b.</b>	<ul style="list-style-type: none"> <li>Key Outputs <i>[as specified in the PID]</i></li> <li>Outputs Achieved <i>[Please provide evidence of project completion/delivery e.g. photos, monitoring returns / evaluation]</i></li> <li>Employment &amp; Enterprise Outputs Achieved <i>[Please specify the employment/enterprise benefits delivered by the project]</i></li> </ul>		
<b>3a.</b>	<b>Timescales</b> I confirm that the project has been delivered within agreed time constraints.	<b>Please Tick ✓</b>	
		<b>Yes</b>	<b>No</b>
<b>3b.</b>	<ul style="list-style-type: none"> <li>Milestones in PID <i>[as specified in the PID]</i></li> <li>Were all milestones in the PID delivered to time <i>[Please outline reasons for any slippage encountered throughout the project]</i></li> <li>Please state if the slippage on project milestone has any impacts on the projects spend (i.e. overspend) or funding (e.g. clawback)</li> </ul>		
<b>4a.</b>	<b>Cost</b> I confirm that the expenditure incurred in delivering the project was within the agreed budget and spent in accordance with PID	<b>Please Tick ✓</b>	
		<b>Yes</b>	<b>No</b>
<b>4b.</b>	<ul style="list-style-type: none"> <li>Project Code</li> <li>Project Budget <i>[as specified in the PID]</i></li> <li>Total Project Expenditure <i>[Please outline reasons for any over/underspend]</i></li> <li>Was project expenditure in line with PID spend profile <i>[Please outline reasons for any slippage in spend encountered throughout the project]</i></li> </ul>		

5.	<b>Closure of Cost Centre</b> I confirm that there is no further spend and that the projects cost centre has been closed. <ul style="list-style-type: none"> <li>• Staff employment terminated</li> <li>• Contracts /invoices have been terminated/processed</li> </ul>	Please Tick ✓			
		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
6.	<b>Risks &amp; Issues</b> I confirm that there are no unresolved/outstanding Risks and Issues	Please Tick ✓			
		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
7.	<b>Project Documentation</b> I confirm that the project records have been securely and orderly archived such that any audit or retrieval can be undertaken.	Please Tick ✓			
		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
These records can also be accessed within the client directorate using the following filepath: <i>[Please include file-path of project documentation]</i>					
8.	<b>Lessons learnt</b>				
	<ul style="list-style-type: none"> <li>• Project set up <i>[Please include brief narrative on any issues faced/lessons learned project set up]</i></li> </ul>	----- -----			
	<ul style="list-style-type: none"> <li>• Outputs <i>[Please include brief narrative on any issues faced/lessons learned in delivering outputs as specified in the PID, including the management of any risks]</i></li> </ul>	----- -----			
	<ul style="list-style-type: none"> <li>• Timescales <i>[Please include brief narrative on any issues faced/lessons learned in delivering project to timescales specified in PID]</i></li> </ul>	----- -----			
	<ul style="list-style-type: none"> <li>• Spend <i>[Please include brief narrative on any issues faced/lessons learned regarding project spend i.e. sticking to financial profiles specified in the PID, under or overspend]</i></li> </ul>	----- -----			
	<ul style="list-style-type: none"> <li>• Partnership Working <i>[Please include brief narrative on any issues faced/lessons learned re: internal / external partnership working when delivering the project]</i></li> </ul>	----- -----			
	<ul style="list-style-type: none"> <li>• Project Closure <i>Please include brief narrative on any issues faced/lessons learned project closure]</i></li> </ul>				



<b>9.</b>	<p><b>Comments by the Project Sponsor including any further action required</b>  <i>[Use to summarise project delivery and any outstanding actions etc]</i></p> <hr style="border-top: 1px dashed black;"/> <hr style="border-top: 1px dashed black;"/>		
<b>10.</b>	<p>The Project Sponsor and Project Manager are satisfied that the project has met its objectives and that it can be formally closed.</p>		
	Sponsor (Name)		Date
	Project Manager (Name)		Date

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<p><b>Cabinet</b> 20 March 2018</p>	
<p><b>Report of:</b> Ann Sutcliffe, Acting Corporate Director, Place</p>	<p><b>Classification:</b> Part Exempt (Appendix B)</p>
<p><b>Disposal of 2 Trinity Green, Mile End Road, E1 4TS</b></p>	

<b>Lead Member</b>	<b>Councillor David Edgar, Cabinet Member for Resources</b>
<b>Originating Officer(s)</b>	Divisional Director, Property & Major Programmes
<b>Wards affected</b>	Bethnal Green
<b>Community Plan Theme</b>	One Tower Hamlets
<b>Key Decision?</b>	<b>Yes</b>

**Executive Summary**

Due to the cost and complexity of renovating 2 Trinity Green with its Grade 1 listed status this report advises to dispose of the property upon the Open Market.

Disposal would delegate the risk of refurbishment and sale on to any purchaser and enable LBTH to reinvest a receipt in to the provision of replacement affordable housing. The receipt is likely to support the acquisition of two flats, which could be held within the Housing Revenue Account.

This report sets out the proposal for the disposal of 2 Trinity Green, Mile End Road, E1 4TS and for the production of a Heritage Asset Management Plan.

**Recommendations:**

The Mayor in Cabinet is recommended to:

1. Note the contents of this report;
2. Agree that 2 Trinity Green, Mile End Road, E1 4TS is surplus to the Council's operational requirements;
3. Agree to the disposal of the site and to note that the Corporate Director, Place will decide on the most appropriate disposal method under delegated

authority ;

4. Agree to the disposal of the site on a freehold basis;
5. Agree that the capital receipt is used for the provision of affordable housing,
6. Authorise the Corporate Director, Place, to progress the sale of the site;
7. Authorise the Corporate Director, Place, following consultation with the Corporate Director, Governance, to agree the terms and conditions of any agreements required to implement the recommendations above.
8. Authorise the Corporate Director, Governance to execute all agreements required to implement the recommendations above; and
9. Agree to produce a Heritage Asset Management Plan in consultation with the Friends of Trinity Green and other Stakeholders, to guide a future approach to site-wide management and maintenance.

## **1. REASONS FOR THE DECISIONS**

- 1.1 2 Trinity Green remains vacant and in poor condition. Its condition and the Grade I listing will require a costly renovation to return the dwelling to a habitable standard. Any monies for the renovation would be taken from the Council's Housing Revenue Account.
- 1.2 By disposing of the dwelling on the open market the Council delegates risk within the renovation and further sale on to a purchaser. And, LBTH is able to invest the receipt in the provision of affordable housing. Based on the allocation of the estimated receipt to purchase replacement affordable housing, along with the use of Right-to-Buy receipts as supplementary funding, the Council could reasonably expect to secure two flats in replacement.
- 1.3 The development of the property will bring a vacant and disused dwelling back into use. By taking constructive action in this way the Council is meeting its enabling role in increasing the housing supply in the borough while also protecting a significant heritage asset.

## **2. ALTERNATIVE OPTIONS**

- 2.1 The Council has considered restoring the dwelling directly and letting it for housing use. However, this would be at a significant cost due to the poor condition of the dwelling (as confirmed by a recent condition survey) and due to the Grade 1 listed status of the building, which would require specialist – and therefore more expensive – contractors than standard residential schemes of a similar nature. The costs of ongoing maintenance would also be significantly higher than for a comparable dwelling not subject to Grade 1 listing. It is now proposed to let the market deliver the restoration instead.
- 2.2 The Council has also considered the transfer of the property to its wholly-owned housing company. However, a high-level financial appraisal has determined that this would not offer value for money given the level of investment the wholly-owned company would still need to make.
- 2.3 The Council has also considered issues surrounding management of the entire site and have concluded that this should be guided by a Heritage Asset Management Plan produced and implemented in consultation with the FoTG. The plan will be reported to the Mayor for a decision.

### **3. DETAILS OF REPORT**

- 3.1 The Trinity Green Alms-houses (formerly Trinity Hospital) are a series of Grade I listed Alms-houses on Mile End Road. They were originally built in 1695 to provide housing for retired sailors, and are the oldest Alms-houses in Central London.
- 3.2 Listing, which refers to the addition of a property to the National Heritage List for England (the statutory list of buildings of special architectural or historic interest in England), is used to recognise a building's special architectural and historic interest. It has the effect of protecting the building for future generations by requiring specific considerations as part of the planning process.
- 3.3 Grade I listing is the highest category of listing and means the building/site is of exceptional interest; only 2.5% of listed buildings/sites in England are designated as Grade I.
- 3.4 Believed to have been designed by Sir William Ogbourne (although some claim it was designed by Sir Christopher Wren), the houses are organised in two rows with a central green and chapel.
- 3.5 Following the destruction of some of the Alms-houses in the Second World War, Trinity Green was Grade I listed in 1950. The London County Council then purchased and restored the remaining Alms-houses and the chapel. These were subsequently transferred to Stepney Borough Council, one of the predecessors to the Tower Hamlets London Borough Council. The current use of the Alms-houses is as HRA dwellings.
- 3.6 The chapel forms part of the Council's community buildings portfolio and is occupied by Deaf Plus under a 5-year lease that commenced in 2015.
- 3.7 The majority of the dwellings around the green are privately owned, having been purchased under Right to Buy legislation. However, four of them remain in the Council's ownership and are occupied by council tenants although the dwelling that is the subject of this report is currently vacant and has been so for at least two years.
- 3.8 The vacant dwelling, no. 2, is in poor condition. It forms part of a larger terrace of properties and consists of a single bedroom, 1 reception room /

kitchenette and small bathroom. Its condition and the Grade I listing mean returning the dwelling back to a habitable state will be at a significant cost. That cost would be to the Housing Revenue Account capital programme.

- 3.9 The remainder of the site also requires some work in order to ensure a significant heritage asset does not fall into disrepair. The Council's Asset Management, Strategic Housing and Planning departments will be working together to draw up a local conservation plan. This plan will address the need for a costed programme of repairs and maintenance to the communal areas, which the Council will set aside appropriate budget provision. The purchaser of the property and subsequent owners will be required to contribute a fair proportion of the costs of repairs and maintenance to the communal parts of the site, the use of which benefits the property.
- 3.10 The Council appointed Hutton + Rostron, a firm who specialise in building pathology and heritage conservation, to undertake a detailed condition survey of the dwelling.
- 3.11 Their report confirmed the initial view of officers that the dwelling was in poor condition. The report identified chronic water penetration, mould growth, rising and penetrating damp, residual moisture and salt in the walls, surface condensation problems, blocked chimney flues, windows in poor state of repair (such as to impede operation), inadequate passive vents for moisture-laden air and a lack of any meaningful insulation.
- 3.12 The approximate cost of works has been estimated as at least £35,000 for repairs and a further £50,000 for adaptations and improvements, excluding fees and any further work found to be necessary once invasive work on the structure is commenced. Given the conditions found in the building, this report proposes that the dwelling be disposed of on the open market.
- 3.13 In disposing of the dwelling a private developer or occupier will be required to bring the property back up to a habitable standard. Subsequently the property may be occupied by the purchaser, let or resold, in any case without incurring expenditure on the Council's part. This will also generate a capital receipt for the Council, which could be applied towards the provision of affordable housing.
- 3.14 The disposal could be made subject to actions set out in the local conservation plan, once drawn up. This would be used to commit the purchaser to carry out the required works within a reasonable period of time. The exact mechanics of this would need careful consideration to ensure the disposal does not fall foul of the Public Contract Regulations 2015.

- 3.15 The Council's Property Procedures for Disposals and Lettings identifies a number of different disposal methods that may be used and states that the most appropriate method is to be determined by the Divisional Director, Property & Major Programmes.
- 3.16 The disposal of 2 Trinity Green was previously considered by Cabinet in October 2017. Following representations made by a representative from the Friends of Trinity Green (FoTG) at the meeting, it was agreed to defer action to put the property to sale. Thereafter Council officers liaised with FoTG over their proposals and agreed that a viability assessment and grant funding application including their intentions to use the dwelling and site and why the ownership of the property was a key issue for them, would be produced. Subsequently the FoTG suggested that the Council would be in a better position to undertake such an assessment. The recommendation in this report regarding working with the FoTG to develop a conservation management plan provides a way forward on this point.
- 3.17 The Council will look into the wider strategy for the whole of Trinity Green, commission costings based on the condition reports and progress with a sort of viability assessment, from the point of view of cost and how the Council should invest in this asset or engage with another party (some kind of heritage trust) to manage and deliver what is required. Our intention is to produce a heritage asset management plan for the wider property which will help to shape the approach to site management and maintenance. The Council is happy to work on this activity and to include the FoTG within these discussions from the outset. It is considered that the sale of no.2 will not adversely impact the development of a site-wide strategy.
- 3.18 In this case, the most suitable form of disposal is likely to be auction or informal tender. Assuming a reserve (if one is set) is met, an auction allows a disposal to take place quickly and guarantees a sale and arrives at a demonstrably open market value and can be cheaper than other methods of sale.
- 3.19 An alternative would be for sale by informal tender. This is when the site is marketed for a fixed period and sealed bids sought. These are then assessed by the Council (or its agents) to consider the value of the bid and the seriousness of the bidder before determining who the preferred bidder is.



- 3.20 It is proposed that the sale will be on a freehold basis. While the Council's procedures state a general preference for long leasehold disposals (usually of 199-years), in this case, a freehold disposal is being proposed. This is because the other privately-owned houses in Trinity Green – those sold via Right to Buy – are owned on a freehold basis. Introducing a range of different arrangements on the estate (i.e. social rented, freehold and long leasehold) would complicate the management arrangements for the estate, making it inefficient. The benefit the Council might get in 199 years' is off-set by being able to manage the estate more efficiently and the marginal increase in the disposal value. The purchaser of the property and subsequent owners will be required to contribute a fair proportion of the costs of repairs and maintenance to the communal parts of the site, the use of which benefits the property.
- 3.21 An estimated value of the property is contained in the exempt report appendix B.

#### **4. COMMENTS OF THE CHIEF FINANCE OFFICER**

- 4.1 This report seeks the agreement of the Mayor in Cabinet to declare the property at 2 Trinity Green as being surplus to requirements and to agree its disposal on the open market.
- 4.2 The listed property is held under Housing Revenue Account powers for use as tenanted accommodation but has been empty for several years and requires significant capital investment in order to bring it to lettable standard. In light of this it is considered better value for the Council to avoid the necessary capital renovation costs and to dispose of the property in order to generate a capital receipt which can be used to finance capital priorities in accordance with both the Capital Strategy and the Medium Term Financial Strategy. Although the Council is currently undertaking large programmes to acquire properties within both the HRA and the General Fund for use as temporary accommodation, the costs associated with the refurbishment of this property make disposal and reinvestment of the receipt the preferable option.
- 4.3 The report proposes that the receipt is earmarked to finance the future provision of affordable housing (recommendation 5). The site is held under Housing Revenue Account (HRA) powers, and as such, any receipts from disposal will be 100% usable within the HRA as these receipts are no longer subject to the pooling regime. They are also fully usable within the General Fund if applied for the provision of affordable housing or to fund regeneration projects.

- 4.4 Disposal will mean that the Council will avoid any on-going revenue costs necessary to keep the empty property secure. Any expenditure that the Council incurs in marketing the site will be met from the 4% 'top-slice' that can be offset from capital receipts to cover the cost of sale.
- 4.5 In order that the Council can make best use of the capital receipt, it is essential that any necessary legal approvals for the disposal of an HRA dwelling are obtained in advance of selling the property.

## **5. LEGAL COMMENTS**

The report seeks approval for the disposal of the Council's freehold interest in the property at market value owing to the property being vacant and surplus to requirements. Furthermore, the report seeks approval for the capital receipt to be used for the provision of affordable housing.

### **5.1 Disposal Powers**

- 5.2 Whenever a local authority disposes of land held by it for housing purposes it has to have regard to section 32 of the Housing Act 1985. Section 32 states that a local authority may not dispose of any land held by them without the consent of the Secretary of State. In order to facilitate the disposal of land held for housing purposes the Secretary of State has issued a series of general consents, which permit the disposal of land held for housing purposes without the need to obtain express consent. The consents are collectively known as The General Housing Consents 2013.
- 5.3 In accordance with paragraph A.2.2 of the General Housing Consents a disposal includes a conveyance of a freehold interest. Paragraph A3.1.1 permit local authorities to dispose of land or dwelling at market value. Specific consent of the Secretary of State should therefore not be required to effect the proposed disposal which will be at market value.
- 5.4 Provision of affordable housing
- 5.5 Use of receipts arising from the disposal of housing assets (i.e. assets held under Part II of the Housing Act 1985 and for which account is made in the Housing Revenue Account (HRA)) is governed by the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (as amended)

The 2003 regulations require that:

- (i) receipts arising from Right to Buy (and similar) sales may be retained to cover the cost of transacting the sales and to cover the debt on the properties sold, but a proportion of the remainder must be surrendered to central Government;
- (ii) receipts arising from all other disposals may be retained in full provided they are spent on affordable housing, regeneration or the paying down of housing debt.

5.6 Section 11(6) of the Local Government Act 2003 (as inserted by section 174 of the Localism Act 2011) permits the Secretary of State to enter into agreements with local authorities with the effect that any requirement imposed by the 2003 regulations does not apply, or is modified in its application.

#### 5.7 **The Council's procedure for disposals and lettings**

The Council's procedure for disposals and lettings, adopted at Cabinet on 8<sup>th</sup> April 2015, specify that disposals may be by one of the following means: (a) informal tender; (b) formal tender; (c) auction; and (d) sale by negotiation. The procedures provide that the Divisional Director, Property and Major Programmes will determine the most appropriate method of disposal, based on the type and location of the property and the prevailing property market and subject to the Council meeting its legal requirements. In this case, it has been suggested that disposal be by auction or informal tender with the decision to be made by the Corporate Director under delegated authority.

#### 5.8 **Best Value Obligation**

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". It is considered that obtaining best consideration by market value contributes towards this duty and the fulfilment of this duty is further addressed in paragraph 7 below.

#### 5.9 **Equality Duty**

The council is required when exercising its functions to comply with the duty set out in section 149 of the Equality Act 2010, namely to have due regard to the need to eliminate unlawful discrimination, advance equality of opportunity between those who share a protected characteristic and those who do not, and foster good relations between those who share a protected characteristic and those who do not. There are no direct equality implications arising from the proposed transactions.

## **6. ONE TOWER HAMLETS CONSIDERATIONS**

- 6.1 The public sector equality duty under section 149 Equality Act 2010 arises where the Council exercises its functions. The Council proposes to use the capital receipt generated by the sale for affordable housing or regeneration projects. Such schemes primarily benefit persons who are the intended beneficiaries of the equality duty.

## **7. BEST VALUE (BV) IMPLICATIONS**

- 7.1 The arrangement proposed in this report supports the Council's best value duty. The proposal represents an efficient and effective use of the Council's estate.
- 7.2 Where an asset has been identified as surplus to requirements, the Council has the option to retain the asset for future use (and in the meantime to pay any costs associated with maintaining and securing the asset) or to sell the asset for a capital receipt.
- 7.3 In this case, the property is in poor condition and can only be restored at significant cost to the Housing Revenue Account.
- 7.4 By disposing of the site, the Council will receive a capital receipt from the sale while also safeguarding the listed building and bringing it back into use.

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

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

## **9. RISK MANAGEMENT IMPLICATIONS**

- 9.1 **Timing and marketing strategy** – the maximum capital receipt may not be realised if the disposal and marketing strategy are not managed well, or insufficient information exists at the time of marketing the property. This may lead to the value being suppressed.

9.2 Mitigation – The Asset Management team will ensure that full and complete property information is compiled and supplied to the auctioneer or agent for informal tender.

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

10.1 There are no immediate crime and disorder implications arising from this report. While vacant sites attract anti-social behaviour, including vandalism and squatting, this property – due to its location as part of Trinity Green – does not appear to have attracted such behaviour.

## **11. SAFEGUARDING IMPLICATIONS**

11.1 There are no immediate safeguarding implications arising from this report.

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### **Linked Reports, Appendices and Background Documents**

#### **Linked Report**

- None

#### **Appendices**

- Appendix A – Site plan.
- Appendix B - Exempt valuation report

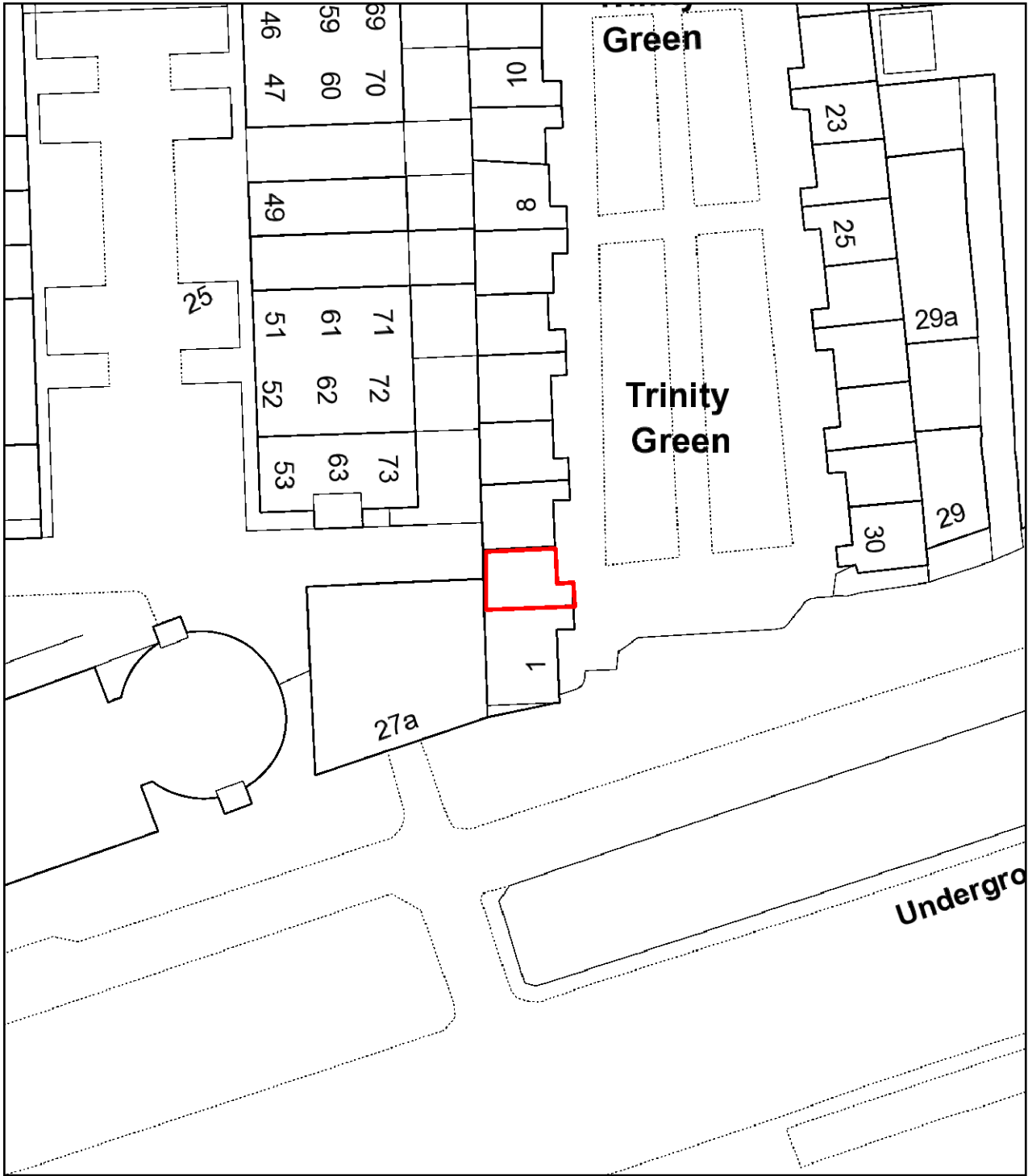
#### **Background Documents – Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2012**

- None

#### **Officer contact details for documents:**

- Richard Chilcott, Acting Divisional Director, Property and Major Programmes (020 7364 4077)

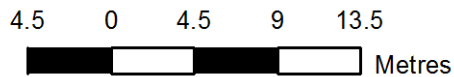
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## 2 Trinity Green, E1 4TS




Scale 1:500



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<p><b>Cabinet</b></p> <p>20 March 2018</p>	
<p><b>Report of:</b> Ann Sutcliffe, Acting Corporate Director, Place</p>	<p><b>Classification:</b> Part Exempt (Appendix 2)</p>
<p><b>Pan-London Modular Temporary Accommodation</b></p>	

<b>Lead Member</b>	Cabinet Member for Strategic Development and Waste, Deputy Mayor and Cabinet Member for Housing
<b>Originating Officer(s)</b>	Mark Baigent, Nicole Layton
<b>Wards affected</b>	All Wards
<b>Key Decision?</b>	Y
<b>Community Plan Theme</b>	A Great Place To Live

### Executive Summary

A working group of boroughs from across London, chaired by Tower Hamlets, is proposing a collaborative approach to acquiring modular temporary accommodation, manufactured in a factory, installed on “meanwhile” sites and moved to other sites as they become available, with the homes let by boroughs to homeless families as a cheaper and better quality alternative to Bed & Breakfast or other nightly paid temporary accommodation. The GLA are proposing to grant fund this scheme from their Innovation Fund. London Councils are supporting the programme from the Capital Ambition programme.

This report asks the Mayor to approve the establishment of a not-for-profit Company Limited by Guarantee which will act as the procurement and ownership vehicle for the scheme. Boroughs will become members of the company in order to participate in and benefit from the programme. Legal advice confirms that this approach will comply with public procurement regulations and financial modelling demonstrates commercial viability, based on current assumptions and the availability of grant.

### Recommendations:

The Mayor in Cabinet is recommended to:

1. Note the award of £11 million from the GLA Innovation Fund to deliver modular temporary accommodation through a pan-London collaboration between London boroughs.
2. Note the award of £20,000 from the Capital Ambition programme (hosted by London Councils) as “seed-funding” for the further development of the pan-London temporary accommodation proposals.

3. Approve the establishment of a Company Limited by Guarantee to procure and own modular temporary accommodation for the benefit of London boroughs who become members of the company, with LB Tower Hamlets as a founding member.
4. Appoint Mark Baigent, Interim Divisional Director of Housing & Regeneration as the Council's initial Company Director.
5. Delegate to the Corporate Director (Place) in consultation with the Corporate Director (Governance) and the Corporate Director (Resources) to approve the specific legal documentation for establishing the company.
6. Note that further decisions will be required at a later date to pass on GLA grant funding from the Council to the new Company and, if relevant, for the Council to provide debt finance to the Company.

## **1. REASONS FOR THE DECISIONS**

- 1.1 The decisions recommended are required to establish the company that boroughs will then become members of as they decide individually to participate in the collaborative procurement and ownership approach.

## **2. ALTERNATIVE OPTIONS**

- 2.1 There is the option not to establish the company and withdraw from the Innovation Fund grant agreement with the GLA. This would result in a lost opportunity to lead and deliver better quality temporary accommodation both locally and across London as well as achieve General Fund budget savings by providing a cheaper alternative to B&B and nightly paid accommodation.
- 2.2 There is also the option of stepping back from a leadership role and inviting another borough to take on the role of establishing the company on behalf of the collaborative group. At present, London Councils and the collaborative group are encouraging Tower Hamlets to take on this leadership role.

## **3. DETAILS OF REPORT**

- 3.1 The Interim Divisional Director of Housing & Regeneration is chair of the London Councils Temporary Accommodation Supply group. During 2017 the group began investigating the possibility of setting up a collaborative approach to procuring and owning demountable modular temporary accommodation to be used by boroughs across London on "meanwhile" sites (such as future estate regeneration sites, transport sites, etc.). Currently around sixteen boroughs are attending the group, with potential sites identified in several boroughs, including Tower Hamlets.

- 3.2 In Spring 2017 the group collectively submitted a bid for £11 million to the GLA's Innovation Fund which was welcomed and taken through to the next stage. Heads of Terms and a Grant Contract are currently being drawn up. Detailed delivery arrangements now need to be established, including one borough acting as grant recipient. The group have asked LB Tower Hamlets to consider receiving the grant for this programme.
- 3.3 The group also bid for and secured £20,000 from the Capital Ambition programme (hosted by London Councils) as "seed-funding" for the further development of the pan-London temporary accommodation proposals. These funds will also be received by LB Tower Hamlets as lead borough.
- 3.4 The group explored a range of options for funding, owning and providing a centralised supply of modular homes to be used by London Boroughs. London Councils procured legal advice, attached as Appendix A. This advice recommends setting up a not-for-profit Company Limited by Guarantee to procure and own the modular homes, with boroughs making use of the homes being members of the company. Any surpluses would be reinvested in scaling up the programme. The group have asked LB Tower Hamlets to consider leading the establishment of the new collaborative company.
- 3.5 The company would be funded by a combination of GLA grant (made available to the company via a member borough) and debt finance (either made available to the company by member boroughs or by securing debt from the private finance market).
- 3.6 London Councils procured financial consultancy support to model the viability of providing modular temporary accommodation via the proposed special purpose vehicle. This analysis is attached as exempt Appendix B. This is exempt due to commercial confidentiality.
- 3.7 The financial modelling was based on soft market testing in relation to production, installation and relocation costs. As well as assuming general costs of management and maintenance, the modelling also took into account the income variations between locations across London, assuming rents are fixed at Local Housing Allowance levels (which vary between Broad Rental Market Areas). Thus smaller sites are more viable in Inner London, whilst larger sites are needed to ensure viability in Outer London, given scaling of costs by site size.
- 3.8 The analysis clearly demonstrates that the proposed approach can be made viable on a pan-London basis, based on the assumptions made and assuming sound decision-making by the company in relation to the size and location of meanwhile sites to be used.
- 3.9 The timescale for programme delivery assumes the new company is established in April 2018, with additional borough members formally joining the company during the early Summer 2018.
- 3.10 Therefore, the Mayor is asked to approve that Tower Hamlets establishes the company, appointing Mark Baigent, Interim Divisional Director of Housing & Regeneration, as the initial Company Director. The Mayor is also asked to delegate to the Corporate Director (Place) in consultation with the Corporate Director (Governance) and the Corporate Director (Resources) to approve the specific legal documentation for establishing the company.

- 3.11 If the Mayor approves these recommendations, then further decisions will be required at a later date to pass on GLA grant funding from the Council to the new company and, if relevant, for the Council to provide debt finance to the company.

#### **4. COMMENTS OF THE CHIEF FINANCE OFFICER**

- 4.1 This report seeks the approval of the Mayor in Cabinet to the Council becoming a founding member of a company limited by guarantee that will procure and own modular temporary accommodation. It also seeks approval for the Council to act as the accountable body in relation to grant funding and for the Interim Divisional Director of Housing and Regeneration to be appointed as the company director
- 4.2 Local authorities across London are experiencing an acute housing crisis and currently Tower Hamlets has over 2,000 families in temporary accommodation. The net cost of these units of temporary accommodation to this authority varies depending on the type of accommodation, with bed and breakfast accommodation costing £9,000 per annum, nightly lets costing £6,500 and private licensed accommodation costing £3,500 per annum. It is intended that modular housing will provide better quality, less costly temporary accommodation than the existing options.
- 4.3 A financial viability overview of providing modular temporary accommodation via a special purpose vehicle has been undertaken (see the exempt Appendix B) however detailed borough specific appraisals will be undertaken before specific schemes progress. Any surpluses generated by the company will be reinvested in the programme.
- 4.4 The working group of councils has secured capital financing of £11 million from the GLA's Innovation Fund and a revenue allocation of £20,000 from London Council's Capital Ambition programme to deliver modular temporary accommodation. The GLA and London Councils require one authority to receive the grants and it is proposed that the Council acts as the accountable body, receiving the funding and passing it to the company. If this is approved, formal decisions will be required in future to authorise the allocation of grant funding from the Council to the new company.
- 4.5 Although the Council will be the accountable body for the grants, it is essential that the legal agreements protect the Council's assets and minimise its exposure to risk.

#### **5. LEGAL COMMENTS**

- 5.1 The acquisition of modular accommodation is a public supply contract for the purposes of the Public Contracts Regulations 2015 (PCR) and would ordinarily be subject to a competitive tendering exercise. In order for the scheme to be successful the Council must be able to purchase the accommodation as and when required from the specially set up company

without subjecting the purchase to competition. Otherwise, this substantially would reduce the utility and financial viability of the whole scheme.

- 5.2 Regulation 12 of the PCR exempts competition where the Council makes a purchase from a separate company over which the Council exerts a level of control similar to that of one of its own departments. Regulation 12 also allows a group of local authorities to purchase from that separate company where together they exert the level of control over that company that each one would do over one of their own departments.
- 5.3 This means that each local authority will be able to purchase modular accommodation from the specially set up company if:
  - 5.3.1 each local authority is represented on the board of directors and has the ability to have significant input on the overall strategic direction of the specially set up company
  - 5.3.2 at least 80% of the specially set up company is for the benefit of the controlling local authorities and
  - 5.3.3 there is no significant private investment in the company
- 5.4 The requirements stated in paragraph 5.3 should be stated in the new company's articles of association.
- 5.5 It therefore follows that in the event a new local authority wishes to utilise the new company as a provider provision needs to be made within the articles allowing a new local authority to gain a controlling interest along with the existing local authorities to ensure that the Company continues to satisfy the requirements of Regulation 12.
- 5.6 Initially agreement should be reached between the participant local authorities as to their combined approach to the setting up of the new company and this form part of a written agreement.
- 5.7 The new company will itself be a contracting authority for the purposes of the PCR and therefore, it will have to perform a competitive tender before engaging with suppliers who will ultimately provide supplies and services to the participant local authorities.
- 5.8 Notwithstanding the fact that the new company is compliant with Regulation 12, for the purposes of procurement it should be made clear in all adverts relating to the new company's tenders that the new company is purchasing on behalf of other local authorities. This should include a list of prospective users of the company's supplies as well as existing ones.
- 5.9 The Council still has an obligation to ensure that it complies with its Best Value duty under section 3 of the Local Government Act 1999. However, this will be simply demonstrated provided that the new company's tenders are evaluated on a "most economically advantageous" basis using a final score which represents a blend of quality and price.

- 5.10 Whilst the new company will be controlled by the participant authorities it is still a separate trading legal entity for the purposes of UK law. Therefore, all supplies should be governed by a proper supply contract and all other constitutional processes of the Council followed prior to committing to a supply
- 5.11 It is unlikely that the setting up of the company will have any significant equalities impact (either for the purposes of the Equality Act 2010 or in any wider context) although it is good practice to ensure that an Equalities Assessment has been completed. However, there is likely to be a significant equalities impact in respect of the actual provision of the accommodation in individual circumstances and the Council should ensure that it takes all appropriate measures (including where necessary consultation) to properly understand the impact the provision of an individual item of accommodation would have on persons who have a protected characteristic at the appropriate time.

## **6. ONE TOWER HAMLETS CONSIDERATIONS**

- 6.1 The proposed collaborative procurement and ownership company will provide cheaper and better quality temporary accommodation for homeless families, thus promoting improve life chances and outcomes for a group of people over-represented in terms of protected equality categories compared with the general population. Modular homes would be specifically designed to comply with Planning requirements in relation to accessibility for people with physical disabilities.

## **7. BEST VALUE (BV) IMPLICATIONS**

- 7.1 This programme is intended to deliver cheaper and better quality temporary accommodation both locally and across London, achieving General Fund budget savings by providing a cheaper alternative to B&B and nightly paid accommodation. The savings achieved will be monitored and reported to Members as part of the overall Homelessness budget position.

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

- 8.1 Making use of meanwhile sites pending regeneration or permanent redevelopment demonstrates an enhancement of the local environment in terms of amenity and place-making. Landscaping and external space treatment will be integral to the Planning process for these sites. Relocation and reuse of modular homes demonstrates more efficient use of scarce resources. Factory production can reduce and eliminate construction waste.

## **9. RISK MANAGEMENT IMPLICATIONS**

- 9.1 The Council will take on a liability to repay GLA Innovation Fund grant if grant conditions are not met and outputs are not achieved. The Council will need to ensure a robust agreement with the proposed company when grant is passed

on. The risks in relation to procurement, construction and ownership of the modular homes will be held by the company, not falling to the Council itself.

**10. CRIME AND DISORDER REDUCTION IMPLICATIONS**

10.1 There are no specific implications.

**11. SAFEGUARDING IMPLICATIONS**

11.1 There are no specific implications.

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**Appendices**

A: Legal advice – Anthony Collins Solicitors LLP

B: Financial modelling – 31Ten [NB: Exempt due to commercial confidentiality]

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# ESTABLISHING AN ENTITY TO DELIVER PAN-LONDON MODULAR HOUSING

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LONDON COUNCILS

**19 December 2017 (DRAFT)**

## 1. EXECUTIVE SUMMARY AND RECOMMENDATIONS

- 1.1. The London Authorities are considering whether to establish a new entity (**SPV**) to procure and deliver modular housing units for use by the London Authorities on meanwhile sites.
- 1.2. The London Authorities have the power to set up and participate in the SPV through the General Power of Competence under the Localism Act 2011 (see paragraph 3).
- 1.3. Given the London Authorities intend the SPV to be not for profit and desire a fairly straightforward method of becoming and ceasing to be an SPV Member, we recommend that the SPV is established as a company limited by guarantee under the Companies Act 2006 (see paragraph 4).
- 1.4. We advise that: bespoke Articles of Association are developed to set out how the SPV will operate in line with the SPV Members' intentions and in compliance with public procurement law; and that the SPV and the SPV Members enter into a Governance Agreement with further detail on the relationship between the SPV and SPV Members and between the SPV Members. The SPV Members will need to consider what decisions they do not want the SPV Board of Directors to take alone (see paragraph 5).
- 1.5. We would suggest that SPV Member appointed directors should be Officers rather than Elected Members due to the ability to manage conflicts of interest. Elected Members should instead lead on decision making within the SPV Members on their interests in the SPV (see paragraph 5).
- 1.6. We consider that the proposed SPV arrangement and relationship with the SPV Members would comply with the Teckal requirements under Regulation 12, Public Contracts Regulations 2015. The SPV Members would be able to contract with the SPV without running a public procurement process. The SPV would be subject to the Public Contracts Regulations 2015 and so would need to procure the Modules in compliance with these regulations (see paragraph 6).
- 1.7. Where the SPV is not trading beyond the SPV Members then we do not consider it is an undertaking for State aid purposes. This means that the SPV Members can provide support to the SPV including financial investment (see paragraph 7) although in the case of investment the SPV Members must act in accordance with their borrowing and investment powers under the Local Government Act 2003 (see paragraph 3).

- 1.8. Where the SPV decided to expand and trade beyond the SPV Members then further legal advice should be taken to ensure that the Teckal status is maintained and that State aid is dealt with in advance (e.g. cross subsidies between Teckal activities and trading).
- 1.9. Subject to State aid, the SPV Members can make funding available to the SPV. Where the SPV Members are passing on grants received by them then they: must consider the terms of each grant to ensure the proposed use fits within the terms; and consider whether any agreement on liability sharing (e.g. where one SPV Member as acted as a “lead” to obtain finance) is required (see paragraph 8).
- 1.10. The SPV will not be acting as a landlord and so would not need to consider registration with the Homes and Communities Agency.
- 1.11. The SPV Members are not considering, at this stage, granting any interest in land to the SPV. The SPV would be capable of taking any such interest in which case the SPV Members would need to ensure that they comply with the duty to obtain best consideration under Section 123, Local Government Act 1972.

## 2. INTRODUCTION AND OUR INSTRUCTIONS

- 2.1. We are instructed by London Councils (**LC**) to advise on the establishment of an entity for the delivery of modular housing across London.
- 2.2. LC is a representative group for the 32 London Boroughs and the City of London (the **London Authorities**). It operates through two local authority joint committees established under the Local Government Act 1972 and the Local Government Act 2000.
- 2.3. Our instructions come from the Leaders' Committee established pursuant to a Governing Agreement dated 13 December 2001 (the **Joint Committee**).
- 2.4. The Joint Committee is instructing us on behalf of its member London Authorities. The London Borough of Tower Hamlets (**LBTH**) is the lead authority for the modular housing proposals.
- 2.5. The London Authorities are seeking to reduce their expenditure on nightly paid temporary accommodation and to drive innovation in the modular housing construction sector. They also seek to make better use of land that may be developed in the future – **meanwhile sites** – to help alleviate housing pressures in London.
- 2.6. An options appraisal has been undertaken as part of the development of a strategic business case for the London Ventures' Capital Ambition Board (**LV**) to secure initial seed investment. Having considered the options appraisal, London Councils would like to develop further the work around establishing a single entity (the **SPV**) jointly owned by those London Authorities wishing to participate (**SPV Members**).
- 2.7. We are instructed that:
  - 2.7.1. The SPV should be established on a not for profit basis. Any surplus generated from its activities is to be reinvested back into those activities to increase housing supply;
  - 2.7.2. The governance arrangements should allow SPV Members to join and leave the SPV easily;
  - 2.7.3. The SPV Members wish to be able to contract with the SPV without the need to conduct a public procurement process;
  - 2.7.4. The SPV will procure demountable modular housing units (**Modules**) from the market – funnelling engagement with the market through the SPV should allow

- for economies of scale to be achieved compared to individual London Authorities contracting with the market and will allow for joint ownership of the Modules through the SPV;
- 2.7.5. The SPV will make the Modules available to the SPV Members. Initially this will just be on land owned by the recipient authority. Separate discussions are ongoing about land held by Transport for London. In the future land owned by private developers could be used. It is initially envisaged that the relevant SPV Member would hold any relationship with third party land owners and, at this stage, that the SPV will not hold any land (freehold or leasehold) for the Modules to be sited on. However, the SPV Members may wish the SPV to hold land directly in the future and so the SPV setup should allow for this;
- 2.7.6. In addition to procuring the Modules the SPV may also procure the installation services and SPV Members will be able to access these through the SPV. The SPV Members are most likely to be responsible for any land preparation/remediation rather than the SPV but in time this may change and the SPV may take on this role (including via procuring additional contractors).
- 2.7.7. The SPV will be funded principally by the SPV Members (or some of them) either from their own funds, PWLB borrowing or funds obtained from the GLA (a current grant application has been made to the GLA Innovation Fund for £11million to invest in pilot scheme of 200 homes) or other funds. The London Authorities are also considering whether SPV Members could transfer any affordable housing funds to the SPV. It may also be the case in time that the SPV will bid for funds directly from third parties.
- 2.8. Once a Module has been sited it is not currently envisaged that the SPV would have a continuing role other than ownership of the Module itself (and eventual removal from the site). The relevant SPV Member will be responsible for letting the Module home to occupiers, all housing management and the maintenance of the Module/site. However, in the future the SPV Members may wish to expand the remit of the SPV so that it undertakes housing/tenancy management – which may or may not include it acting as the landlord.
- 2.9. The focus by the SPV Members will be on providing temporary accommodation but we also note in the LV options appraisal that the SPV Members might also look at mixed tenure options including private rented (albeit low income/sub market rent) in the future.

- 2.10. Modules will be in place for several years before being taken down and moved to another site. We understand that Modules could be in place on a site for between 4 and 12 years but that 5 years is likely to be the minimum financially viable period that a Module would remain in place.
- 2.11. We are instructed to advise on:
- 2.11.1. The powers of the London Authorities to establish and participate in the SPV;
  - 2.11.2. The most appropriate corporate vehicle;
  - 2.11.3. Governance arrangements;
  - 2.11.4. Public Procurement;
  - 2.11.5. State Aid;
  - 2.11.6. The ability of the London Authorities to make funding available to the SPV;  
and
  - 2.11.7. Housing regulatory matters.

### 3. VIRES

- 3.1. The London Authorities provide temporary accommodation in accordance with Part VII, Housing Act 1996.
- 3.2. The London Authorities' main relevant functions in relation to the setup and operation of an SPV are:
  - 3.2.1. The General Power of Competence (**GPOC**) – section 1, Localism Act 2011 (“LA11”);
  - 3.2.2. The **Incidental Power** – section 111, Local Government Act 1972;
  - 3.2.3. The **Borrowing Power** under section 1, LGA03; and
  - 3.2.4. The **Investment Power** under section 12, LGA03.

#### *Commercial Purpose and Trading*

- 3.3. The use of the SPV for the purposes outlined in paragraph 2 do not, in our view, amount to trading or acting for commercial purpose because the SPV will be focussed on providing a service (including potentially some works) and goods to the SPV Members.
- 3.4. However, we would note that:
  - 3.4.1. If the activities of the SPV expanded and involved the SPV providing services to the market/non-SPV Members (including offering “private rented” accommodation even at below market rates) then there may be procurement implications (for which see further below) and the SPV Members would need to ensure they were in compliance with their commercial/trading powers<sup>1</sup>; and
  - 3.4.2. Where individual SPV Members develop proposals to use Modules for “private rented sector” lettings including at a sub-market rent then further consideration should be given at that stage to whether the individual authority was trading and the housing law implications of this type of activity. This aspect would not directly affect the SPV.

#### *GPOC*

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<sup>1</sup> Principally GPOC and Section 95, Local Government Act 2003

- 3.5. GPOC authorises the London Authorities to do anything that an individual with full capacity may do. As an individual with full capacity is able to set up and participate (including borrowing/investment/provision of loans) in a company this would, prima facie, provide the powers for the London Authorities to do likewise.<sup>2</sup>
- 3.6. GPOC can be used even if there is another power that overlaps with it. GPOC is limited by any limitations on the powers of the London Authorities that existed prior to GPOC coming into force and by any new limitations that are stated to apply specifically to GPOC or to all of the London Authorities' powers (unless GPOC is specifically excluded).<sup>3</sup> GPOC can be used for commercial purposes.<sup>4</sup> All restrictions on the powers at paragraphs 3.2.2 to 3.2.4 would also apply where they overlap with what the London Authorities want to authorise through GPOC.
- 3.7. The use of GPOC can be restricted by the Secretary of State<sup>5</sup> but to date no restrictions relevant to the establishment and operation of the SPV have been put in place.

#### *Incidental Power*

The Incidental Power authorises the London Councils to “to do any thing (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions”.<sup>6</sup> The Incidental Power combined with the Part VII, Housing Act 1996 functions potentially authorise the establishment of the SPV to facilitate the delivery of those functions under the Housing Act.

#### *Borrowing Power*

- 3.8. The London Authorities are authorised to borrow money<sup>7</sup> for any purpose relevant to their functions or for the prudent management of their financial affairs. The borrowing power is constrained by borrowing limits imposed by the Council itself (the duty to determine an affordable borrowing limit) and the Secretary of State (none currently).

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<sup>2</sup> Section 1, LA11

<sup>3</sup> Section 2, LA11

<sup>4</sup> See also the additional restrictions in the Local Government (Best Value Authorities) (Power to Trade) (England) Order 2009/2393 that apply by virtue of the overlap with Section 95, Local Government Act 2003.

<sup>5</sup> Sections 5 to 7, LA11

<sup>6</sup> Although it should be noted that the ability to raise funds is restricted by powers such as the Borrowing Power.

<sup>7</sup> Sterling only unless Secretary of State consent is obtained



- 3.9. In setting the affordable borrowing limit each London Authority must have regard to the “Prudential Code for Capital Finance in Local Authorities” published by CIPFA (current version dates from 2011 but a new version is due for publication in January 2018).<sup>8</sup> Furthermore the Council must have regard to any guidance issued by the Secretary of State.<sup>9</sup> The current document is “Guidance on Local Government Investments” (DCLG, April 2010) which includes statutory guidance and “informal commentary”.<sup>10</sup>
- 3.10. Where a London Authority was to borrow to finance the SPV for the purposes set out in paragraph 2, we do not consider there is anything in the current legislative framework that would prevent this provided that the authority can demonstrate that it is acting prudently and within its borrowing limit.

*Investment Power*

- 3.11. The Investment Power authorises the Council to invest for any purpose relevant to any of its functions or for the purposes of the prudent management of its financial affairs. The Investment Power when coupled with the Incidental Power could, in our view, authorise the Council to set up and participate in a particular vehicle. The Investment Power would also authorise investment into the SPV.

*Disposal Power*

- 3.12. The Disposal Power authorises a London Authority to dispose of any land (or an interest in land) held by the authority but requires best consideration to be obtained.<sup>11</sup>
- 3.13. Based on the model detailed in paragraph 2, it is not immediately anticipated that there will be any interest in land granted to the SPV. We, therefore, have not considered this further at this stage. However, where future proposals are developed that involve a London Authority disposing of an interest in land to the SPV then the relevant London Authority must ensure that it complies with the Disposal Power and that, notwithstanding that the Disposal Power may be satisfied, there is no State aid (see paragraph 7 below).

*Vires Recommendation*

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<sup>8</sup> Regulation 2, Local Authorities (Capital Finance and Accounting) (England) Regulations 2003.

<sup>9</sup> Section 15, LGA03

<sup>10</sup> DCLG is currently consulting on new guidance - <https://www.gov.uk/government/consultations/proposed-changes-to-the-prudential-framework-of-capital-finance>

<sup>11</sup> Section 123, Local Government Act 1972

3.14. We consider that:

3.14.1. The London Authorities can use GPOC to set up and participate in the SPV.

3.14.2. A London Authority is able to borrow from PWLB (or another source) or use other funds that it holds to finance the SPV but must do so in compliance with the prudential borrowing regime – i.e. the authority must show that the borrowing is for a prudent investment and not something that is purely speculative. This can be viewed as part and parcel of the Council's fiduciary duty to its council tax payers.

3.14.3. Where funds have been granted for a particular purpose then they must be used in accordance with the terms of the original grant.

3.15. Any investment in the SPV must be in accordance with the investing London Authority's investment strategy adopted from time to time.

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## 4. CORPORATE STRUCTURES

### *Company limited by shares ("CLS")*

- 4.1. This is the most common form of corporate vehicle and is established under the Companies Act 2006 ("CA06"). It is governed by the principles of company law.
- 4.2. A CLS is managed on a day to day basis by a board of directors who report to the shareholders. An SPV Member's liability (as a shareholder) would be limited to the value of its shares and any sums remaining unpaid on those shares.
- 4.3. The directors have a number of core statutory duties<sup>12</sup> in addition to those owed elsewhere in statute and at common law and equity. Directors are generally not personally liable for debts but they can become liable if they give personal guarantees (we would anticipate that this is extremely unlikely in these circumstances). Directors might also incur direct liability where there is fraudulent trading, wrongful trading,<sup>13</sup> misfeasance or breach of fiduciary duty to the company.<sup>14</sup>
- 4.4. The main constitutional documents are the Memorandum of Association (which is a standard form document) and the Articles of Association. Whilst there are model Articles<sup>15</sup> that can be used we advise that bespoke Articles should be created to reflect exactly how the London Authorities would like the CLS to operate (including where the shareholders wish to exercise control over the activities of the board of directors).
- 4.5. A CLS is regulated by the Registrar of Companies (Companies House) and is required to file an annual confirmation statement<sup>16</sup> and accounts. These are public documents generally available via the Companies House website.
- 4.6. Formation of a CLS is fairly straightforward and requires an application to Companies House (again a standard form), payment of a registration fee and submission of the Memorandum and the Articles of Association. The application form includes a

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<sup>12</sup> See Sections 171 to 177, CA06 – act within powers; promote the success of the company; exercise independent judgment; exercise reasonable care, skill and diligence; avoid conflicts of interest; not accept benefits from third parties; declare an interest in a proposed transaction/arrangement with the company.

<sup>13</sup> Trading before commencing winding up when you know or ought to have known the company cannot avoid entering into insolvency.

<sup>14</sup> E.g. assets or monies of the company being transferred to the director.

<sup>15</sup> Schedule 1, CA06.

<sup>16</sup> Previously the annual return.

statement of capital and initial shareholdings. The company is established when a certificate of incorporation is issued.

- 4.7. Assets of the CLS are held by the CLS corporately but may be distributed to shareholders.
- 4.8. A CLS is generally used where the intention is to make a profit. That profit is then either re-invested back into the activities of the CLS or distributed back to shareholders by way of dividends. It is therefore a good vehicle for providing a means of generating income for the shareholders.

*Company limited by guarantee ("CLG")*

- 4.9. Established under the CA06, a CLG is similar in how it is established and governed to a CLS but there are important differences. The members of the CLG are not shareholders. On becoming members, the SPV Members would agree to be liable for the debts of the CLG up to a specific amount should the CLG be wound up whilst they are a member (or in the period of one year after they cease to be a member). This is usually a nominal amount. There are model Articles<sup>17</sup> and at establishment the application form includes a statement of guarantee. As with the CLS we would recommend bespoke Articles are prepared.
- 4.10. Assets are still held by the CLG but the Articles of Association usually restrict what can be done with them. A CLG is normally used where the intention is to set up a non-profit – whether charitable or otherwise – i.e. where there is no intention to distribute profits to the members of the CLG.

*Limited Liability Partnership ("LLP")*

- 4.11. LLPs provide some of the benefits of a company in respect of limited liability but provide more management and operational flexibility than a company. Unlike a normal partnership an LLP is a legal person that is able to hold assets and contracts. An LLP is established under the Limited Liability Partnerships Act 2000 with additional provisions contained in the Limited Liability Partnerships Regulations 2001 ("LLP Regulations").

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<sup>17</sup> Schedule 2, CA06.

- 4.12. LLPs are regulated by the Registrar of Companies in a very similar way to a company. Establishment of an LLP is by way of paper application (a standard form LLIN01) to Companies House with the appropriate fee. Once the certificate of incorporation is issued the LLP is established. LLPs must submit an annual confirmation statement and accounts. There must be a minimum of two members of the LLP.
- 4.13. Where in a company there is a distinction between the shareholders/members and directors, the same is not automatically the case for an LLP – the partners in the LLP are both the owners and the managers of the enterprise. However, it is possible to structure the LLP so that some members (“designated members”) have enhanced duties to comply with certain administrative obligations, such as the appointment of an auditor, signing the accounts and confirmation statement, and/or notifying Companies House of changes to the LLP. Alternatively, all the LLP’s members can be designated members. This is common in an LLP with a small number of members.
- 4.14. Members are agents of the LLP and are liable to the extent of their investment in the LLP but might have to contribute further in certain circumstances where there has been particularly bad behaviour or where any agreement between the members requires a further contribution.
- 4.15. There is no obligation to have a constitutional document (e.g. a members’ agreement) but there are default provisions on how the LLP will operate in the LLPR. Any members’ agreement is a purely private document and will not be published by Companies House. When establishing an LLP we would strongly advise putting in place a members’ agreement – in particular to cover potential liability situations.
- 4.16. LLPs can also be more tax advantageous than a CLS/CLG. The latter are directly liable to tax. However, an LLP is usually<sup>18</sup> treated as tax transparent – i.e. the activities are carried on by the members in partnership rather than the LLP legal entity.
- 4.17. As noted above an LLP requires a minimum of two partners/members.
- 4.18. Local authority use of LLPs is further curtailed from a vires perspective. LLPs are intended to make profits and so are established for commercial purpose. A local

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<sup>18</sup> LLP must be carrying on a trade, profession or business with a view to profit.

authority therefore cannot use GPOC to participate in an LLP because it expressly requires a company to be used when acting for commercial purpose.<sup>19</sup>

4.19. The London Authorities could directly participate in an LLP where they show they have the vires elsewhere. This could be the case where the London Authorities combined their functions under the Housing Act 1996 and the Incidental Power. In the case of property investment this could be the Incidental Power combined with the Investment Power (and the property powers under the Local Government Act 1972 such as the Disposal Power).

4.20. The alternative employed by some local authorities in joint venture scenarios is to establish a company first and then that company participates in the LLP.

#### *Charitable Entities*

4.21. Gaining charitable status confers certain tax benefits but in establishing a charitable entity the London Authorities would have to accept that that entity is set up for charitable purposes. A charitable entity must be independent of the London Authorities and so they must accept less control. In the past the Charity Commission has been reluctant to register new charities where these are wholly or majority held by a local authority – mainly due to independence concerns.

4.22. Examples of possible vehicles include:

4.22.1. Charitable Incorporated Organisation (“**CIO**”) – these are established under the Charities Act 2011 and regulated by the Charity Commission. They are only open to charities. A CIO has separate legal personality and the liability of its members and charity trustees is limited. There is a specified form of constitution which does permit a limited level of amendment. Rather than the usual company accounting scheme a CIO is subject to the charity accounting scheme which is less onerous.

4.22.2. Co-operative Society (“**CS**”) and Community Benefit Society (“**CBS**”) – these are established under the Co-operative and Community Benefit Societies Act 2014 as replacements for industrial and provident societies. They are both legal entities with limited liability for members. They must be established to

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<sup>19</sup> Section 4, Localism Act 2011

carry on an industry, business or trade. A CS cannot be carried on with the object of making profits. A CBS is established for the benefit of the community. There must be at least three members. Where the CS or CBS is charitable then there are additional requirements.

4.23. Having considered the requirements of the London Authorities set out in paragraph 2 and in particular the public procurement needs (as further outlined below) a charitable entity is not going to be appropriate and we have not considered the models further.

*Community Interest Company (“CIC”)*

4.24. A CIC is a variant of the “standard” company models (CLS or CLG), and is a form promoted for use by social enterprises. They are subject to company law and additional provisions<sup>20</sup>. Key characteristics of a CIC include:

4.24.1. Registration and regulation by the CIC Regulator – CICs must show that they operate for the benefit of the community, and are required to produce an annual Community Interest Report;

4.24.2. Standard provisions must be included in a CIC’s Articles, including an asset lock which operates to ensure that assets are not disposed of for less than full value unless the disposal is to another CIC or to a charity. This is intended to guarantee that assets are used for the long term benefit of the community served by the CICs.

4.25. CICs do not benefit from the tax advantages that charities do.

4.26. CICs limited by shares can distribute profits by way of dividends to shareholders, subject to the following restrictions:

4.26.1. Any dividends require an ordinary or special resolution of the members (whereas the directors of a non-CIC CLS would determine what dividends would be payable);

4.26.2. Following the Community Interest Company (Amendment) Regulations 2014, CICs are subject to a maximum aggregate dividend, currently 35% of distributable profits. This preserves the principle that the CIC’s assets should

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<sup>20</sup> Under the Companies (Audit, Investigations and Community Enterprise) Act 2004 and the Community Interest Company Regulations 2005

benefit the community by ensuring a proportion of distributable profits are reinvested in the CIC or in the community it serves.

#### *Structures Recommendation*

- 4.27. We discuss below in detail the requirements for *Teckal* compliance. These requirements must be met in order for the SPV Members to contract freely with the SPV without a public procurement process. The key requirement is “control”. As a result any charitable vehicle will not be appropriate.
- 4.28. The SPV Members are not focussed on acting for profit and when coupled with the *vires* restrictions we consider this means an LLP is not appropriate.
- 4.29. Although the SPV will be facilitating the London Authorities to increase the supply of housing, we do not consider there is anything in the London Authorities’ proposals that would warrant utilising any form of CIC.
- 4.30. We would recommend that the SPV is established as a CLG rather than a CLS. This is because:
- 4.30.1. The London Authorities do not intend the SPV to be profit making and so there is unlikely to be a need for dividends to be distributed. If in the future the SPV Members did want to expand into trading the SPV activities with non-SPV Members then this might be best achieved by a sibling CLS sitting along the SPV (in the event the authorities wanted profits distributed back to them directly) or by a subsidiary of the SPV (in the event profits were to be invested back into the SPV activities as an alternative to third party or SPV Member investment or to reduce costs for the SPV Members).
- 4.30.2. The London Authorities require a relatively easy process to allow authorities to join and leave the SPV. We consider this can be better achieved through a CLG.
- (a) In a CLS shares would have to be issued and allotted to a new SPV Member or sold by an existing SPV Member from its shareholding to the new member (this latter option can have stamp duty implications depending upon value). When an SPV Member sought to leave they would then have to sell their share(s) back to the SPV or to another SPV Member.



- (b) With a CLG a process can be set up that allows potential SPV Members to make an application to become a member of the CLG and this is then considered by the Board of Directors/existing SPV Members as to whether to admit them. The Articles and other governance documents would set out the process for ceasing to be a SPV Member.

4.30.3. We would also comment at this stage that London Authorities who consider their involvement might be shorter term than other SPV Members should consider whether their need for the SPV – in the foreseeable future – is fully met before they decide to terminate their membership of the SPV in order to avoid having to become a member multiple times.

4.30.4. A CLG is the model that we have adopted for other non-profit local authority companies and it is possible to draft the Articles and Members' Agreement to have different classes of member, for example:

- (a) Class A – core members who each appoint a director;
- (b) Class B – other members who might only be members for the purpose of accessing Modules for a site and envisage a shorter term involvement. This Class could collectively appoint a certain number of directors to represent them.

4.31. We are not aware that London Councils itself would seek to be an SPV Member. Given London Councils acts through joint committees it is important to note that a joint committee (like any committee of a local authority) does not have separate legal personality from its authority and so cannot enter into contracts or hold property other than through one of its member authorities. This, however, does not prevent the London Councils membership being reflected in the SPV Members and Board of Directors through the participation of the individual London Authorities.

## 5. GOVERNANCE

### *General*

5.1. The SPV Members will understandably want robust governance mechanisms in place to protect their interest in the SPV (and any sums due to them from the SPV) and ensure they are compliant with the Teckal requirements relating to control (see paragraph 6 below) but the governance should not be so onerous that the day to day operation of the SPV is made difficult or slow.

5.1.1. We advise tailoring the Articles of Association to reserve certain (major) decisions to the SPV Members. The Articles should then be supplemented by a Governance Agreement (similar to a shareholder/member agreement) between the SPV and the SPV Members covering matters including

- (a) The involvement of the SPV Members in the preparation and approval of business plans/cases for the SPV;
- (b) Any provisions for how the SPV Members consider they would work together to facilitate SPV Member decision making;
- (c) Situations where the SPV Members need to be consulted before decisions are taken;
- (d) Accounting requirements and access to financial information by the members;
- (e) Confidentiality requirements;
- (f) Freedom of Information – both cooperation between the SPV Members/SPV but also how the SPV will deal with FOI requests (local authority companies are subject to the same FOI requirements);
- (g) Relationship between the SPV and SPV Member council meetings (e.g. executive meetings, scrutiny meetings):
- (h) Requirement to assist the member authorities with compliance with the Transparency Code and Ombudsman investigations; and
- (i) Dispute resolution.

- 5.1.2. The London Authorities therefore should consider at the outset what decisions they would not want the SPV to take alone and these matters will form the basis of the reserved decisions referred to at paragraph 5.1.1 above.
- 5.1.3. In respect of new SPV Members joining in the future then once they become an SPV Member they would be bound by the Articles. We would suggest some form of supplemental Governance Agreement is entered into where the new SPV Member agrees to be bound by the terms of the Governance Agreement.

*The Board of Directors*

- 5.2. The Board is ultimately responsible for running the SPV and we set out above at paragraph 4.3 the duties that the directors owe to the SPV.
  - 5.2.1. The Board can comprise Officers, Elected Members and independent non-executive directors (for example individuals who bring a particular skill set). The SPV could also directly employ executive directors (engaged full time in running the company). The appointment of directors should be made by the member authorities and as noted above whether a member authority has a right to appoint their own director would depend upon the rights attaching to their class of membership.
  - 5.2.2. There is no legal requirement to have a Managing Director or a Finance Director but the SPV Members may wish to consider allocating portfolios of responsibility to particular directors and clearly someone needs to have responsibility for leadership and for making necessary decisions about the work of the company. We would recommend a minimum of three directors on the Board to avoid deadlocks.
  - 5.2.3. Where any Elected Member is appointed as a director then care needs to be taken with conflicts of interest between the duty to act in the best interests of the SPV and the duty to act in the best interests of their London Authority. Neither of these duties can be avoided or delegated. We would advise the SPV Members to consider whether member involvement is better suited at the SPV Member decision making level (for which see below) where such conflicts should not arise because the SPV Members are only required to act in their own best interests.

- 5.2.4. Officer directors will, of course, owe duties to their employing London Authority. However, these duties arise from their terms and conditions of employment. As such, it is possible for their employer, to amend these to say that the Officer may act as a director of the SPV and that where they so act the Officer should put the interests of the SPV first, as the law relating to directors requires.
- 5.2.5. Where Officers are appointed then consideration should be given to their position and responsibilities within their London Authority. Officer directors should not advise the authority as an SPV Member or commissioner of the SPV on action or decisions to take relevant to the company. We generally also advise against Section 151 officers being appointed to Boards where they may be making recommendations in the Budget that benefit the company although this can happen where the authority is happy for a deputy Section 151 officer to deal with such recommendations.
- 5.2.6. In practice, there are a good number of Officers who serve as directors of council companies without any problem. What is of most importance when setting up a company is that the directors will provide the qualities and experience needed by the company; and that the authority is satisfied that its interests as an SPV Member are being properly served.
- 5.2.7. It is however important that a consideration of the practical points and potential conflicts of any appointment is undertaken beforehand, and advice taken, as it is frustrating to all if a director is frequently prevented from acting due to potential conflicts.
- 5.2.8. Furthermore, of course, the existence of apparent bias or predetermination towards the SPV by an SPV Member when decisions are made (whether by Officers or Elected Members) can give rise to actions for judicial review.
- 5.2.9. Another relevant point which sometimes has a bearing on board membership concerns any payment for acting as a director.
- (a) Elected Member directors are limited by the Local Authorities (Companies) Order 1995 as to the level of remuneration and expenses they can receive (allowances must be comparable to an equivalent role

under the Scheme of Allowances and any payment by the company reduces any allowance due to the Elected Member from their authority);

- (b) The Local Government Act 1972 prevents Officers from accepting any direct remuneration from a company, although nothing prevents their authority from directly remunerating an Officer for taking on additional responsibilities on its behalf and at its request, even though those additional duties are through and with the company.

5.2.10. Officers and Elected Members should be aware that when they are acting as directors they are not normally protected by their usual statutory immunity, or by their authority. The London Authorities should:

- (a) Consider whether the nature of the company in question provides protection and whether this covers the personal liability of directors.
- (b) Take particular care in granting any indemnity to an Officer or Elected Member and ensure that they are acting within their powers as set out in statute. We would advise that any indemnity/insurance should be taken out by the SPV.

5.2.11. The Board should be able (and the Articles would need to reflect this) to delegate down their powers to individual directors, employees (whether directly employed or seconded) and committees of the Board. Decision making would still be constrained by any arrangements for reserved decisions.

#### *SPV Member Decision Making Function*

- 5.3. Each SPV Member will need to have in place arrangements for making SPV Member decisions. For those SPV Members operating executive arrangements under the Local Government Act 2000, then we consider that making SPV Member decisions is an executive matter.
- 5.4. For maximum flexibility we would advise delegating some SPV Member decision making to Officers following consultation with the appropriate Elected Members. As with any delegation the relevant Officer is free to refer the matter back to Elected Members and Elected Members can require a matter to be referred back to them.
- 5.5. Each SPV Member would also need to designate a representative for general meetings. This could be included within the delegations to Officers. The

representative is the person who goes to the general meeting and actually votes at it, in accordance with their authority's agreed position.

- 5.6. In addition to compliance with local government decision making requirements, from a company law perspective, decision making by the SPV Members will also need to be undertaken and documented either in general meeting or by SPV Member written resolution.
- 5.7. Each SPV Member will also need to consider where the SPV Member decision making sits with its role in commissioning the SPV to provide Modules. These are two different roles and all participants need to be clear what "hat" they are wearing when making decisions.

#### *Managing Conflicts of Interest*

- 5.8. We note above the issue of conflicts for both Elected Member and Officer directors between their obligations to the SPV company they are a director of and their obligations direct to their authority. These Officer conflicts can more easily be managed through terms and conditions of employment.
- 5.9. The risk of outside conflicts can be a concern. This should not be an issue with Officers (who generally should not have outside interests). However, it may be an issue with Elected Members (whether as directors or acting as a SPV Member decision maker for their authority) and non-executive directors where they have other occupations – e.g. property developers in their own right, estate agents.
- 5.10. We strongly advise analysing the outside interests of any Elected Member, Officer or non-executive who will take a role in managing the SPV at the outset. If they have interests that are very likely to conflict then it should be considered whether they have any involvement at all.
- 5.11. Directors should be required to declare all outside interests in the company's register of directors' interests.
- 5.12. The usual rules for Elected Members on declaring interests when participating in authority meetings or authority decision making on SPV matters apply.
- 5.13. In all cases we recommend training at the outset for all directors on their duties and what they need to declare as interests. This should ensure that everybody knows what is expected of them and what they need to do if a conflict arises.

### *Company Secretary*

5.14. No private company is required to have a named Company Secretary. The company secretarial duties can be undertaken by anybody. In our experience most local authorities do appoint company secretaries and the person is typically a member of the legal services team or the Monitoring Officer of one of the member authorities. This allows a secondary check on the activities of the company. Provision of company secretarial services would be dealt with through any support arrangements between the SPV Members and the SPV.

### *Controlled Companies*

5.15. For now the provisions of Part V, Local Government and Housing Act 1989 apply. We consider that the SPV would be a controlled company within the meaning of the Act because only London Authorities will be SPV Members and the main decisions will likely be reserved to the SPV Members. As such the authorities and the SPV must comply with the requirements of the Local Authorities (Companies) Order 1995. This means the SPV must:

- 5.15.1. Mention on all company business letters, notices and other documents that it is controlled by the member authorities;
- 5.15.2. Adhere to limitations on pay and expenses of directors who are also Elected Members;
- 5.15.3. Not publish material in support of any political party;
- 5.15.4. Provide information to the SPV Member auditors;
- 5.15.5. Provide information (other than where it would breach any enactment or obligation owed to another person) to Elected Members of the SPV Members reasonably required by the Elected Member for the proper discharge of their duties;
- 5.15.6. Make available minutes of general meetings for four years (save where it would breach any enactment or obligation owed to another person);
- 5.15.7. Obtain appropriate consent to the appointment of the SPV's auditor – the reference in the Order is the Audit Commission. Unfortunately following the abolition of the Audit Commission the Order has not been updated.

## 6. PUBLIC PROCUREMENT

6.1. The London Authorities are all subject to the Public Contracts Regulations 2015 (**PCR15**) as contracting authorities. The PCR15 would govern any procurement of the Modules directly by the authorities.

6.2. Where:

6.2.1. The SPV is jointly controlled by the SPV Members in that:

- (a) They jointly exercise a decisive influence over the strategic objectives and significant decisions of the SPV;
- (b) The decision making bodies of the SPV are composed of representatives of the SPV Members (there can be joint representatives); and
- (c) The SPV does not pursue any interests contrary to those of the member authorities;

6.2.2. The SPV carries out more than 80% of its activities in the performance of tasks entrusted to it by its member authorities; and

6.2.3. There is no direct private capital participation in the SPV;

Then we consider that the SPV's relationship with the SPV Members is governed by Regulation 12, PCR15 (**Teckal**) and any contracts awarded to the SPV for the Modules would not need a prior public procurement process.

6.3. On the basis of the current proposals, as we understand them, there is no immediate intention for trading beyond the SPV Members. That makes the activity test set out at paragraph 6.2.2 easier to satisfy. There is no requirement to provide activities to all SPV Members all of the time – this does mean that a London Authority can remain an SPV Member in between needing any Modules.

6.4. Where this changes and there is a suggestion that the SPV will trade more widely then we advise that further legal advice is sought to ensure that the Teckal status of the SPV is maintained. Depending upon the scale of the trading this may mean setting up a further company as a sibling or subsidiary.

6.5. As a result of the SPV being a Teckal vehicle it is itself a contracting authority. It is not prevented from contracting with any of the SPV Members (e.g. for an SPV Member to provide back office support). However, where the SPV is going to the market for the



Modules and any other services, goods or works then it would need to follow a PCR15 compliant procurement process.

- 6.6. It is perhaps useful at this stage to discuss the way in which the SPV would make the Modules available to the SPV Members on the initial proposal that land would remain with the SPV Members and not with the SPV. From our perspective:
  - 6.6.1. The SPV could purchase the Modules outright and procure ongoing installation/maintenance/support for the life of the Modules;
  - 6.6.2. The SPV could lease the Modules from one or more providers along with procuring services from those providers for installation/maintenance/support. Consideration would need to be given as to whether the Modules were leased en masse for a defined period or whether they were leased as and when required;
  - 6.6.3. As noted above either of 6.6.1 or 6.6.2 would need to be structured in compliance with the PCR15. In either of the scenarios, the SPV would then seek to lease the Modules on to those SPV Members that require them;
  - 6.6.4. On our current understanding we do not consider these leases would be an interest in land but rather either a finance or operating lease. This is on the basis that the Modules are demountable and so we believe are attached to the land rather than forming part of it. Whether a finance or operating lease exists will depend upon the terms developed although given there is no intention for the SPV Members to directly own the Modules it may be more likely that an operating lease is what would be used.
- 6.7. If the SPV was to directly hold land (freehold or leasehold) then there would not be an not be any onward finance or operating lease to the SPV Members.
  - 6.7.1. If the SPV was to act directly as landlord then consideration would need to be given as to the type of contract in place between the SPV and the SPV Members to enable this to happen but still be Teckal compliant (e.g. a services contract to offer temporary accommodation).
  - 6.7.2. If the SPV Member was to act as landlord then there would most likely need to be a leaseback to the SPV Member of the land and the Module(s). Tax advice should be sought about this type of structuring.

- 6.8. Where the SPV directly offers private market rentals then that would likely constitute trading and as noted above would prompt a reconsideration of how the SPV is structured to ensure that any Teckal activities could continue.

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## 7. STATE AID

- 7.1. State aid will exist where aid (which could include a grant, loan, use/ownership of assets (including land) and guarantees):
- 7.1.1. Is granted from state resources;
  - 7.1.2. Confers a selective advantage on one or more undertakings carrying on economic activity (putting goods or services on a market);
  - 7.1.3. Distorts competition or has the potential to distort competition; and
  - 7.1.4. Affects trade between Member States or has the potential to affect trade between Member States.<sup>21</sup>
- 7.2. All of the elements must be present for State aid to exist. The European Commission takes a very wide interpretation of 7.1.3 and 7.1.4.
- 7.3. Exemptions do exist under:
- 7.3.1. [The General Block Exemption Regulation](#)<sup>22</sup> – sets out detailed exemptions to be used in very particular circumstances;
  - 7.3.2. [The De Minimis Regulation](#)<sup>23</sup> – 200,000 euros of aid in any three financial year cycle of the recipient;
  - 7.3.3. [Services of General Economic Interest](#)<sup>24</sup> – these are economic services identified as being of particular importance to the public. They are characterised by an entrustment of a public service mission by a public authority and the universal/compulsory nature of the service delivery. Examples include public postal services and electricity supplies.
- 7.4. State aid that does not fall within an exemption must be notified to the European Commission for prior approval. Unlawful State aid must be repaid (with interest). The EU Commission enforces this and can pursue recipients of unlawful State Aid for up to ten years from receipt of the aid.

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<sup>21</sup> See Article 107, Treaty on the Functioning of the European Union

<sup>22</sup> Commission Regulation (EU) No 651/2014

<sup>23</sup> Commission Regulation (EU) No 1407/2013

<sup>24</sup> There is an absolute exemption where aid falls within the Altmark decision (Case C-280/00 Altmark Trans GmbH v Nahverkehrsgesellschaft Altmark GmbH [2003]); a block exemption issued by the European Commission (Commission Decision 2012/21/EU); and a de minimis exemption of 500,000 euros in any three financial year cycle (Commission Regulation (EU) No. 360/2012).

- 7.5. It should be noted that the State aid legislation does not categorically exclude Teckal entities (to the extent not trading beyond its members) such as the SPV from State aid.
- 7.6. We would argue that non-trading Teckal entities are viewed for competition purposes (from a public procurement perspective) as not distorting the market because they are just like an in-house division.
- 7.7. As such where support is provided to the SPV and is specifically linked/restricted to the Teckal activities then we do not consider that the tests for State aid would be met and the SPV Members could provide that support whether it is funding or services.
- 7.8. Alternatively support could be provided on purely market terms and so State aid would not arise. Market terms would need to be objectively evidenced.<sup>25</sup> This could be through demonstrating equivalent lending in the market on the terms/interest rate proposed. Where it is not possible to evidence an interest rate in the market then the EU Commission provides reference rates calculated through the use of a base rate and then adding a certain number of basis points based on the credit rating and the collateralisation of the recipient.
- 7.9. Any *Teckal* entity that is trading beyond its members would be an undertaking in respect of its trading and so where the proposed activities expand to trading with non-SPV Members further advice should be obtained to structure the trading in a way that minimises the risk of State aid arising (the most relevant being market terms – see paragraph 7.8) or to identify a relevant exemption. As noted in paragraph 6 it may be necessary, depending upon scale, to separate out the trading into another vehicle.
- 7.10. There is the possibility that both procurement and State aid rules will be affected in the future by the Brexit vote. However, whilst this may be a consideration eventually it is some way ahead at present and we do not consider that matters are likely to change in the timescale envisaged to set up the SPV.

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<sup>25</sup> R(Sky Blue Sports & Leisure Limited) v Coventry City Council and others [2016] EWCA Civ 453 and Commission Notice on the notion of State Aid as referred to in Article 107(1) of the Treaty on the Functioning of the European Union (2016/C 262/01) at paragraphs 98 and following.

## 8. MAKING FUNDING AVAILABLE TO THE SPV

- 8.1. We note in paragraph 7 the potential application of the State aid rules.
- 8.2. We do not consider that the restrictions on financial assistance for privately let housing under sections 24-26, Local Government Act 1988 would apply because the SPV itself is not on the initial proposals letting any property and on the current temporary accommodation plans only the SPV Members would be letting the homes. Where this changes and the SPV will be letting property directly then any financial support for that privately let housing (which is anything not let by a local authority) would need to comply with sections 24-26.
- 8.3. The SPV Members may wish to pass funds on an investment basis to the SPV that they have received (including from the GLA). These funds may include affordable housing grant. Whether these funds can in fact be passed to the SPV will depend upon the purposes for and terms upon which the funds are held by the particular London Authority – these would need to be examined in each case.
- 8.4. In the case of the current GLA application funding, we note that the use of the funds by the SPV has already been highlighted to the GLA and so would form part of the terms. In any event the London Authority in receipt of the GLA funds will, we imagine, remain directly liable to the GLA pursuant to the grant arrangements.
- 8.5. Where a London Authority is acting as “lead” to obtain funding and pass it on to the SPV then consideration would need to be given about whether there are existing arrangements (perhaps through London Councils), or if new arrangements tailored to the SPV are needed, about liability sharing between SPV Members where one of them incurs direct liability to the party providing funding.
- 8.6. In respect of affordable housing grant, further consideration would need to be given as to the definition of affordable housing used in the grant<sup>26</sup> and whether the Modular homes would be let on tenures by the SPV Members that constitute affordable housing within that definition. We are instructed at this stage that the eventual tenancy arrangements will be determined by each SPV Member individually.

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<sup>26</sup> This might be the planning definition of affordable housing under the NPPF.

## 9. HOUSING REGULATORY CONSIDERATIONS

- 9.1. The SPV will not be acting as a landlord but effectively as a provider of goods, works and services to the London Authorities as landlords. As such the SPV itself would not be in a position where it needs to consider registration with the Homes and Communities Agency.
- 9.2. Where the proposals develop so that the SPV does become a landlord then consideration will need to be given as to what tenures it wishes to offer and whether this would necessitate registration with the Homes and Communities Agency as a registered provider (i.e. some tenures of affordable housing – as defined for planning purposes – can only be offered by local authorities and registered providers but the definitions are likely to widen following the proposals in the Housing White Paper).
- 9.3. Registration with the Homes and Communities Agency is voluntary.

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<p><b>Cabinet</b></p> <p>20 March 2018</p>	 <p><b>TOWER HAMLETS</b></p>
<p><b>Report of:</b> Debbie Jones, Corporate Director Children's Services</p>	<p><b>Classification:</b> Unrestricted</p>
<p><b>Children's Services Improvement- progress report quarter 3</b></p>	

<b>Lead Member</b>	<b>Councillor Amy Whitelock Gibbs, Cabinet Member for Children's Services</b>
<b>Originating Officer(s)</b>	Anthony Walters, Programme Manager- Children's Services Improvement
<b>Wards affected</b>	All wards
<b>Key Decision?</b>	No
<b>Community Plan Theme</b>	<b>A fair and prosperous community</b>

### Executive Summary

This report provides an update on progress in delivering improvements to Children's Services in response to the report published by Ofsted in April 2017 which rated our services 'inadequate'. The Council's improvement plan aims to achieve a standard of at least 'good' by April 2019, which is the minimum our children and families deserve. The council has now had two monitoring visits from Ofsted.

In their letter reporting findings from the most recent of these visits in December 2017, Ofsted noted that improvements have been made and sustained within children's services and that leaders and managers showed increased in-depth knowledge of strengths and areas of weakness. In particular, the way we assess referrals of children and families for social care support was identified as being timely and thresholds for help were appropriately applied, meaning that no children in the cases they sampled were at risk of immediate harm. The letter also pointed to some areas needing further improvement and we are continuing our focus on these areas through our improvement plan.

The body of this report includes commentary on progress in the four themes of our improvement plan at the end of the third quarter of our improvement programme.

Whilst we are making progress in embedding the changes that have been made in the first 9 months of our improvement programme, giving us a firm foundation for improvement, there remain significant challenges to ensuring that the service improves to meet a 'good' inspection standard and sustains this improvement. The focus in our next stage is to build on the progress made so that further improvement is achieved and sustained.

## **Recommendations:**

The Mayor in Cabinet is recommended to:

1. Endorse the progress made in delivering the children's services improvement programme.
2. Agree the next steps in the improvement journey which will be updated on in the next report.

### **1. REASONS FOR THE DECISIONS**

- 1.1 Corporate and political leadership of the Children's Services improvement agenda is a critical part of ensuring its success. Consideration of this report in Cabinet will support this leadership and help to facilitate public scrutiny of progress.

### **2. ALTERNATIVE OPTIONS**

- 2.1 There are no alternative options to consider.

### **3. DETAILS OF REPORT**

- 3.1 In April 2017, Ofsted published its report rating our services for children in need of help and protection, children looked after and care leavers and the local safeguarding children board 'inadequate' overall (but with some areas requiring improvement.) Subsequently, Cabinet agreed an improvement plan on 27<sup>th</sup> June 2017 which has now been agreed by the Department for Education and Ofsted.
- 3.2 The improvement plan responds directly to the 15 recommendations identified in the Ofsted inspection report. It is an operational tool used by managers and frontline staff to drive our improvement activity which, crucially, focuses on the impact changes will have on vulnerable children. It is monitored and updated on a monthly basis by the Children's Services Improvement operational board, chaired by the Director of Children's Services, and every 2 months by our independently chaired Improvement Board. The Mayor, Chief Executive, Cabinet Member and Director of Children's Services meet fortnightly to review and address key issues and challenges. Quarterly updates are reported to Cabinet, Best Value Programme Board and Overview and Scrutiny Committee. This third update report details progress made between October 2017 and the end of December 2017.
- 3.3 In July 2017 the Department for Education (DfE) appointed Lincolnshire and Islington councils as our Improvement Partners (IPs). The role of the IPs is to support us in our improvement journey by acting as external expert advisors. They provide regular reports on progress which are shared with the DfE. The

focus of their support is in the following areas where they have specific expertise that the council can learn from:

- Early help
- Legal support
- Workforce strategy
- Leadership and governance
- Commissioning
- Finance
- Looked after children

3.4 The council aims to achieve at least a ‘good’ rating for its Children’s Services within two years, by April 2019. This is an ambitious undertaking given the extent of failings identified in the Ofsted report and the level of change required. Our improvement plan sets out a three stage journey to achieving this aim. We are currently in the second stage of that journey, which is called ‘embedding sustained improvement’ and runs until the end of March 2018.

3.5 The table below shows overall progress in the aims that we set for this second stage. This work will ensure that the foundations put in place during stage 1 are built upon and improvement is sustained over the length of the programme:

Our aim	Progress and outcome
Workforce strategy agreed and in implementation	The first draft of our workforce strategy was agreed and an action plan is being implemented. We are in the process of refining this to ensure that our strategy effectively positions Tower Hamlets as an employer of choice for children’s social workers, with advice from Islington Council as our Improvement Partner. Workforce is regularly discussed at the Improvement Board and among the council’s leadership. Further updates on specific workforce related activity are provided under ‘Theme 1’ below.
Early Help changes implemented including commencing commissioning processes for any new services	Following a review of early help services it has been agreed that the Early Help redesign will incorporate the principles of working with troubled families in order to engage with families that have two or more of the following characteristics: <ul style="list-style-type: none"> <li>• Parents or children involved in crime or anti-social behaviour</li> <li>• Children who are not attending school regularly</li> <li>• Children who need help: children of all ages, who need help, are identified as in need or are subject to a Child Protection Plan</li> <li>• Adults out of work or at risk of financial exclusion or young people at risk of</li> </ul>

Our aim	Progress and outcome
	<p>worklessness</p> <ul style="list-style-type: none"> <li>• Families affected by domestic violence and abuse</li> <li>• Parents or children with a range of health problems.</li> </ul> <p>The redesign of Early Help will take place in two phases which will support a quick implementation (phase 1) and which will provide the opportunity to embed (phase 2). Phase one redesign has now started and will be completed in May 2018.</p> <p>Arising from the new Early Help redesign children, young people and families will be:</p> <ul style="list-style-type: none"> <li>• Offered support to address needs at tiers 1 and 2.</li> <li>• Be provided with the support from a named Lead Professional who will build a relationship them, assess the needs of the whole family; undertake family planning and co-ordinate interventions.</li> <li>• Empowered to support to help themselves.</li> </ul> <p>The Early Help service will be offered on a locality basis providing services (in the NW, NE, SW and SE of the borough). This will cement strong, local, relationships between families, staff and our partners.</p> <p>To ensure alignment with the improvements in Children’s Social Care, the Early Help redesign will offer:</p> <ul style="list-style-type: none"> <li>• A single front door aligned to the MASH. Which will yield better planning and outcomes for children and young people</li> <li>• Embedded processes in place for “step down” of cases <i>from</i> Children’s Social Care; and “step up” of cases into Children’s Social Care.</li> <li>• A range of evidence based interventions linked to parenting support, education, employment, housing, positive activities for youth, domestic violence support, emotional health and wellbeing (pre-Child and Adolescent Mental Health Service (CAMHS) threshold) support, adult mental health and substance misuse to name but a few.</li> </ul>

Our aim	Progress and outcome
	<p>As part of the implementation work done to date, clearer processes have been introduced for joint working between the Early Help Hub (EHH) and the Multi-Agency Safeguarding Hub (MASH) in order to create one front door, with use of Framework-i (our case management system) across the Hub and MASH to ensure that there is a more joined up approach to managing referrals between social care and early help. The organisational change process to implement phase one of our new early help model will commence in February 2018. The restructure will deliver central capacity for case management and commissioning of early help services ensuring greater consistency, effective targeting of resources to those families that need early help, and the provision of support to effectively meet need. Alongside the organisational change, processes are being redesigned, an outcomes framework is being developed, a commissioning strategy is being identified and an early help workforce plan is being put in place, so that early help professionals are equipped with the right skills to effectively support families. Implementation of this first phase will be completed in May 2018.</p> <p>The second phase of the Early Help redesign will bring together multi-disciplinary professionals in locality-based teams to better coordinate support for children and families.</p>
<p>Performance data, case audit and dip sampling is used systematically to show progress and identify areas for further improvement</p>	<p>Following the work done during stage 1 to improve performance management within the Children's Social Care service, the use of performance data, case audits and dip samples is becoming embedded as a fundamental part of the service improvement process. The detailed updates below give examples of where this is taking place to improve our support to children and their families. In their recent monitoring visit, Ofsted fed back that they could see much more use of performance information by team managers to support social workers and tackle drift and delay.</p>

3.6 The next, and final, stage on our improvement journey will be as follows:

**Stage 3- Continuous improvement to a 'good' Children's Service**

Between April 2018 and March 2019 we will see a stabilised workforce with permanent posts filled and turnover reduced, and continuous improvement in performance data and qualitative audits towards a good service.

This will be a challenging phase given the recruitment challenges faced by all London councils, the high volume of contacts and referrals we are experiencing, and the need to embed improvements across the whole service.

- 3.7 Our progress is being monitored by Ofsted through quarterly monitoring visits. The second of these visits took place on 12<sup>th</sup> and 13<sup>th</sup> December 2017. In their feedback letter, Ofsted said:

“In the cases sampled by inspectors, thresholds for help and protection were appropriately applied, decision-making was timely and no children were identified as being at risk of immediate harm.”

“...it is encouraging that most improvements identified by the previous visits have been sustained and, in many case, further improved. Senior leaders and elected members have an increased in-depth knowledge of their strengths and areas of weakness. They are aware of the challenges that they face to embed the positive changes that have been made, while simultaneously addressing the areas of poorer practice. They fully recognise that there is considerably more work to be undertaken to ensure that vulnerable children in Tower Hamlets experience consistently good quality help and protection from harm. Leaders and managers demonstrate considerable determination, commitment and tenacity to embed and sustain these changes.”

The full letter has been published on Ofsted’s website and can be found at <https://reports.ofsted.gov.uk/local-authorities/tower-hamlets> .

- 3.8 Ofsted noted the considerable progress that had been made in the following areas:
- Application of thresholds and timely decision making in the MASH (the ‘front door’ of the service);
  - Implementation of performance management processes to ensure that staff are held to account for the quality of their practice and that children do not experience delay in getting support;
  - Improving the quality of assessments, including using the views of children to inform them;
  - Effectiveness and timeliness of child protection processes (strategy meetings and section 47 enquiries).
- 3.9 They identified further progress is needed in the following areas:
- Multi-agency case conferences need to focus more on capturing children’s voices and experience and acting upon it;

- Whilst improvements were noted in the quality of assessments, the quality of analysis is variable;
  - Oversight and challenge from child protection conference chairs and the quality of child protection plans;
  - Continuing to bring down caseloads for social workers and to increase the permanent workforce.
- 3.10 Ofsted's third monitoring visit is due to take place on 1<sup>st</sup> and 2<sup>nd</sup> May 2018. This will focus on our response to supporting young people who go missing and/or are at risk from involvement in gangs or sexual exploitation. This will require a concerted effort by children's social care, other parts of the council such as community safety and our partners including the police, schools and health.
- 3.11 On 27<sup>th</sup> June 2017, the Mayor in Cabinet approved our summary improvement plan, setting out the 10 components of a successful Children's Service and our vision of what a 'good' service will look like. To give them focus, the objectives and actions that are being implemented to achieve this vision are grouped under 4 themes that directly relate to the findings of the Ofsted inspection. This report sets out the contribution that our improvement plan and each of its themes is making towards this vision.
- 3.12 Additional capacity has been provided to the service to ensure that rapid progress can be made whilst maintaining day to day service provision. An experienced interim Divisional Director for Children's Social Care has been appointed to implement operational improvements and provide leadership in our improvement journey. A new Divisional Director post has been created and permanently recruited to which covers children's commissioning, including social care placements and early help, which further adds to capacity at senior management level. Additional capacity has also been put in place at service manager level. £5.2m of growth has been put in the Children's Services budget for 2017/18 and £4.5m has been identified thus far as the requirement to support the improvement plan. This will need to be monitored as part of the ongoing monitoring and modelling to ensure that there is a sustainable funding position for children's services now and in the future.
- 3.13 The following paragraphs set out in more detail the progress that has been made in each of the four themes of our improvement plan.

***Theme 1- Leadership, Management and Governance***

- 3.14 The focus in this part of the plan has been to implement a robust governance structure with a supporting performance management framework, a workforce strategy and address sufficiency issues in relation to emergency and unplanned placements. This will contribute to the following components of our vision:
- A whole council vision for excellence;
  - An outward facing organisation and culture;
  - Corporate and political support and an ambition for excellence;

- Strong member- officer relationships based on trust and constructive challenge;
- A clear 'golden thread' from the political leadership through to the frontline;
- Strong and dynamic leadership throughout the organisation;
- A permanent and stable workforce with capacity and resources;
- Strong coherent partnerships at strategic and operational level.

3.15 Governance and performance management arrangements were put in place as part of stage 1 of our improvement programme and are embedding well, as recognised by Ofsted in their monitoring visit. Political leadership and knowledge of Children's Social Care has been developed through two seminars for all Members; including a seminar specifically on child sexual exploitation; practice visits for the Mayor, Lead Member and Scrutiny Lead; spotlight sessions at Overview and Scrutiny Committee; regular discussion at Cabinet and pre-Cabinet meetings; verbal briefings by the Director for opposition Members; and fortnightly meetings between the Mayor, Lead Member, Chief Executive and Corporate Director, alternately attended by the independent Improvement Board Chair. The Mayor, Lead Member and Cabinet Member have also benefitted from training and mentoring organised by the Local Government Association.

3.16 Staff recruitment remains a challenge. As at the end of December 2017, 36% of posts across the Children's Social Care service were filled by agency staff, with the rate much higher in some teams. This is due to the competitive nature of the market in London for qualified social workers, coupled with the pressure of increased workload and the drive for improvement post Ofsted. Staff turnover has reduced, but recruitment remains a challenge. We are continuing to run a rolling recruitment campaign with our streamlined process and are continuing to work with our agency social workers to encourage them to move into permanent posts to introduce further stability in the workforce. The vacant posts in the senior management team in Children's Social Care that are currently occupied by interim staff have been recruited to and are expected to be filled by April 2018. Unfortunately, having attracted initially high levels of interest, the number of people applying for social work positions after our attendance at the national recruitment fair has been disappointingly low. We are ensuring that everyone who expressed an interest in the recruitment fair is being contacted to encourage them to pursue an application to the council. In addition, we are developing an improved 'grow your own' scheme to recruit more newly qualified workers and provide them with enhanced support so that they are able to develop their skills and provide the resources that our children and families need.

3.17 Our 'back to basics' training programme has been delivered, with good feedback from staff. We have completed a training needs analysis which has identified further development needs that is informing a programme of training for the coming months. We are continuing to provide ongoing training in specialist areas such as recognising and responding to Child Sexual



Exploitation and Domestic Abuse. This programme will ensure that the knowledge and skills of our staff are increased to address issues raised by the Ofsted inspection, whilst also supporting our staff retention strategy.

- 3.18 Sufficiency of emergency and unplanned placements remains an area of concern. Too many children experience having to move between different placements, leading to instability and disruption. Our sufficiency strategy is now being implemented to address the availability of suitable residential and foster care placements for our current cohort of looked after children. As part of this work, we have introduced new 'edge of care' services for families with older children who are likely to enter the care system where appropriate support for the family may be able to prevent this, enabling them to stay at home. This will improve outcomes for these children as well as reducing demand for care placements helping us to better manage the budget for Children's Social Care. It is too early to say whether these changes are being effective, and a strong focus remains in this area.
- 3.19 The remaining challenges relating to workforce and sufficiency of looked after children are the main focus of this theme in phase 2 of the improvement programme, as we move into implementation of the two strategies outlined above.

***Theme 2- A robust model of social work practice.***

- 3.20 This theme is the main 'core' of our improvement plan and focusses on improvements in practice within the Children's Social Care service. The service manages all contacts received by the council where there are concerns about a child's welfare through to statutory assessments and interventions for children. This includes the placement and support of looked after children as part of the council's corporate parenting responsibilities.
- 3.21 The theme contributes to the following components of our vision:
- A strong model of practice, with good checks and balances;
  - Clear and embedded systems, processes and data.
- 3.22 The council's approach to practice improvement includes greater clarity in practice standards ('what good looks like'), management action on compliance with standards and recording, and the systematic use of data and case audits to lift quality and consistency.
- 3.23 Our early improvements in the 'front door' of MASH and A&I have been sustained. Ofsted's second monitoring visit acknowledged that these improvements are starting to be embedded and this is also evidenced in our performance monitoring and quality assurance activity. For example, there has been significant improvement in the proportion of contacts where an initial decision is made on how to respond within 1 day (the figure for December 2017 was 74% compared to 49% in July), more assessments are being completed within 45 working days, and the proportion of contacts progressing to referral has increased indicating that partners understand thresholds for intervention and are referring children appropriately. These improvements have been achieved whilst the number of referrals being received is continuing to increase. As well as being more timely, our case auditing is showing that the quality of work is improving. This means that we can be

more certain that children are receiving appropriate and timely interventions to keep them safe.

- 3.24 Activity in the third quarter continued to focus on achieving similar improvement in the Family Support and Protection (FSP) teams, who deal with longer term casework of children who are assessed as being in need or subject to a child protection plan. All cases held by the FSP teams have now been reviewed, to ensure that the information held about them is accurate and that they are effectively managed to ensure appropriate and timely support is in place for families and that children are kept safe. Management oversight across the service has continued to improve and in December, 87.9% of cases had management oversight recorded in the last 8 weeks. In the majority of FSP teams, this figure was over 95% and targeted management action is being taken to improve performance in the remaining teams. The improvements in case management across the service have resulted in an increase in the proportion of children in need that have a plan in place from 51% in June 2017 to 78.1% at the end of December, a figure we expect to increase further as this work progresses. Approximately 92% of these children had a review of their plan within the last six months. At the same time, there has been an improving trend in the proportion of children being regularly visited by social workers.
- 3.25 The review of our early help services was concluded during stage 1 of our improvement programme. We are now implementing the findings of this review, changing the way we support families before they need help from social care services, to prevent problems from escalating and manage demand in the social care system. These changes will see the implementation of a 'single front door' and multi-disciplinary, locality-based teams to ensure that the right families receive the right support in a timely way and that resources are properly targeted to areas of need. Phase 1 of these changes will be implemented by April 2018.
- 3.26 In light of concerns about our local thresholds for social care intervention, in particular the extent to which these are well understood by partner agencies, a decision has been taken through the Local Safeguarding Children Board to adopt the Pan London child protection thresholds. This will bring us in line with most other London boroughs and help to ensure consistency. Work is progressing with partners and the new thresholds will be fully rolled out by the end of January 2018. Meanwhile, the increasing proportion of children receiving assessments and services as an outcome from referrals indicates that thresholds are becoming better understood by referring agencies.
- 3.27 Alongside this work, we have completed the first phase of engagement with staff and partners on a new model of social work practice following a decision to move away from the 'signs of safety' model, which had been poorly implemented. Feedback from staff about this change has been largely positive with a core group of social workers involved in developing the new model, rooted in relationship-based practice and family group conferencing. Planning for the next phase of development is now in progress.
- 3.28 Whilst progress has been made across this theme, and the improvements seen during the first phases of our improvement programme have been sustained and built upon, there remain significant challenges in ensuring that

social work practice is consistently robust. Although the improvements noted above are significant, and the overall trend is of improvement, performance is not yet at the level that would be expected from a 'good' service. The focus of our work over the next quarter, as articulated in our improvement plan, is to ensure that the processes put in place during stage 1 are used to support continuing and sustained improvements. The work that is ongoing as part of theme 1 to address our workforce challenges will be key to this as they begin to deliver a more stable and skilled workforce.

### ***Theme 3- A sufficient and skilled workforce***

- 3.29 This theme focusses on improvements in management oversight and supervision across all services, and in our management of private fostering cases which were highlighted as an area of concern by Ofsted. It contributes the following elements of our vision:
- Strong and dynamic leadership throughout the organisation;
  - A strong model of practice, with good checks and balances;
  - A permanent and stable workforce with capacity and resources.
- 3.30 As noted above, management oversight has improved and at the end of December, 87.9% of cases had received management oversight in the last 8 weeks. This is a significant improvement from 60% in April 2017. We have not yet met our 95% target, and management action to improve performance is now being targeted in teams that are impacting on this overall figure. Training for managers was being delivered as part of our 'back to basics' programme, further supporting improvements in the quality of management oversight to ensure that it supports the delivery of consistently high quality social work practice.
- 3.31 There is a focus now on improving our practice in relation to children who go missing, are at risk of sexual exploitation and involvement in gang related activity. We have appointed a new Missing Young Persons co-ordinator to oversee activity in this area. The initial focus has been to ensure that we have good quality data so that we have a thorough understanding of why children are going missing and are able to respond to emerging patterns. We are now working to further improve this data, improve the completion rate for return home interviews and have linked this work to our partnership wide response on child sexual exploitation and gang related activity. In relation to child sexual exploitation the use of risk screening tools in our MASH is now embedded enabling us to better identify and intervene where young people are at risk. This area of work will be the focus of Ofsted's next monitoring visit.

### ***Theme 4- Quality Assurance and audit***

- 3.32 This theme supports the following components in our vision:
- Clear and embedded systems, processes and data;
  - A strong model of practice, with good checks and balances.

- 3.33 Our quality assurance and audit programme was fully launched in August 2017 and we are continuing to use audit activity systematically to inform our improvement activity under theme 2. Ofsted commented in their second monitoring visit that the use of audit was becoming more embedded although they felt that some improvement was needed in its effectiveness to support the improvement journey.
- 3.34 As part of embedding Quality Assurance at all levels, Ofsted recommended that we take forward “Practice Week”, where senior leaders spend time with frontline social workers reviewing cases and shadowing their work with children and families in order to better understand their day to day experience. Practice week took place over a three day period between 20<sup>th</sup> – 22<sup>nd</sup> November, with senior officers including the Chief Executive and Director of Children’s Services taking part, alongside the Mayor, lead member for Children’s Services and lead Overview and Scrutiny member for Children’s Services, the divisional director and the LSCB chair. Observations of practice included meeting student social workers, spending time with social work teams and observing professional meetings about children. ICT frustrations were observed as well as concerns around caseloads, personal development / training and the approach to compliance and communication. These observations are informing our improvement activity going forward.
- 3.35 The council has embarked on a complete replacement and upgrade of its aging IT infrastructure to provide a fast, flexible and reliable service for all service users. Over £16 million has been committed to deliver this extensive programme. Recognising that effective and reliable IT is critical for the Children’s Services Improvement journey, Children’s Services has been prioritised in the replacement and upgrade programme. Whilst this replacement programme is underway, short term actions have improved the availability and performance of IT to Children’s’ Services. This has been reported to the Children’s Services Improvement Board and will continue to be monitored at the highest level.
- 3.36 Ensuring that care leavers have up to date and reviewed pathway plans is another subject of this theme. Whilst the proportion of care leavers with a pathway plan has been maintained at 96%, the percentage that were reviewed in the last 6 months started to improve in October but still requires significant improvement. There is some concern about the quality of pathway planning and a review of our support to care leavers is now in progress, to be completed in March 2018. The voice of young people who are in or have left care has been strengthened at the Corporate Parenting Board and is helping to shape this work, including the ambition to develop a post-16 service.

***Next Steps***

- 3.37 Cabinet will receive a further update on progress in three months’ time. The key priorities for the next monitoring period, will be:
- Continuing work on our recruitment strategy;
  - Developing our training and development offer, including consideration of a social work academy;

- Implementing the sufficiency strategy, in particular the immediate actions to support families with older children that are at the point of entering the care system (on the 'edge of care.');
- Consolidating and building on the improvements we have made in performance and quality across the social care service;
- Implementing phase 1 of the new model for Early Help services;
- Completing implementation of the new child protection thresholds;
- Continuing development of our new model of social work practice;
- Delivering short, medium and long-term improvements to the council's ICT systems to ensure it is robust and reliable for social care staff.

#### **4. COMMENTS OF THE CHIEF FINANCE OFFICER**

- 4.1 It is acknowledged that the implementation of the Children's Improvement Plan will only be achieved by Council leadership providing the financial resources required for its delivery.
- 4.2 Significant additional resources have already been identified as part of the 2017-2020 MTFS; in particular total additional growth of £5.2m addressing pressure in a range of areas, most of which feature in the improvement plan.
- 4.3 Council leadership is also committed to providing one-off investment funded via Transformation Reserve to support the implementation of the improvement plan. The estimated cost of the improvement plan over 2 years is expected to be £4.2m. and would be reported to Members as part of the Council's normal budget management reporting mechanism.
- 4.4 The level of the one-off funding sought will be based on detailed assessment of the costs associated with the improvement plan and the demonstrable improvements that will be achieved as a result of the investment.

#### **5. LEGAL COMMENTS**

- 5.1. The framework for Ofsted inspections of Children's Services is set out in sections 135-142 of the Education and Inspection Act 2006 ('the Act') and associated Employment and Education Act 2006 (Inspection of Local Authorities) Regulations 2007 ('the Regulations'). Ofsted's "Framework and evaluation schedule for the inspections of services for children in need of help and protection, children looked after and care leavers and Reviews of Local Safeguarding Children's Boards" ('the SIF') sets out a single assessment framework for assessing local authorities during inspections conducted under section 136 of the Act. Local authorities are graded outstanding, good, requires improvement or inadequate in each of the areas inspected.
- 5.2. In light of the Council's rating of inadequate in 2 out of the 3 areas assessed, Ofsted's "Monitoring and re-inspection of local authority children's services

judged inadequate” guidance will apply. Ofsted will carry out a programme of monitoring activities, including quarterly monitoring visits, to report on the progress made by local authorities. Ofsted’s lead inspector will review the Inspection Improvement Plan to ensure that it reflects the recommendations contained in the inspection report. Ofsted will usually re-inspect a local authority judged inadequate at its last inspection within two years of it submitting its action plan, usually after at least four quarterly monitoring visits.

- 5.3. In respect of the recommendations contained in the report, the Council has a duty to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness by virtue of section 3 of the Local Government Act 1999. This is known as its Best Value Duty.
- 5.4. The recommendations that the Mayor in Cabinet should endorse the progress made in delivering the children’s services improvement programme and agree the next steps in the improvement journey, are consistent with the Council’s duty to secure continuous improvement in its functions. Failure to make the necessary improvements to children’s services could result in the Secretary of State appointing a Children’s Services Commissioner or removing service control from the Council.
- 5.5. In carrying out its functions, the Council must also comply with the public sector equality duty set out in section 149 Equality Act 2010, namely it must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and to foster good relations between persons who share a protected characteristic and those who do not.

## **6. ONE TOWER HAMLETS CONSIDERATIONS**

- 6.1 Ensuring that we are providing good services to vulnerable children and their families will ensure that some of our most disadvantaged children are effectively supported to maximise their life chances.

## **7. BEST VALUE (BV) IMPLICATIONS**

- 7.1 Achieving a good children’s service will ensure that the council is meeting its best value obligations in this important area of service delivery.
- 7.2 The Best Value Improvement Board is part of the governance structure for the children’s services improvement plan and will be providing additional scrutiny through receiving quarterly updates on progress. This report will be formally presented at the Best Value Improvement Board.

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

- 8.1 There are no implications.

## 9. RISK MANAGEMENT IMPLICATIONS

- 9.1 There is significant risk in failing to deliver a good children's service.
- 9.2 As part of our governance and programme management arrangements, risks are being identified and managed.
- 9.3 The following table shows the high level risks that have been identified, and how we are managing them through mitigating actions.

Description	Mitigation / Resolution
If the staff culture at all levels in the organisation does not change to address the problems identified by Ofsted, improvement in children's services will not be achieved.	Robust corporate governance to ensure clear ownership and accountabilities for improvement. Sustained management focus on compliance with practice standards. Robust communications with staff and partners.
If progress and improvements are not sustainable in the long term, the service may become inadequate again	Robust financial planning to ensure that the service is sufficiently resourced. Investment in workforce strategy to ensure that there is a stable and highly skilled workforce with long term plans to sustain this.
If leadership capacity and permanence are insufficient, the improvement plan may not be successfully implemented and/ or improvements may not be sustained.	Review of leadership structure to ensure capacity is sufficient. Workforce strategy to address recruitment, retention and development of leadership capacity.
If the Children's Social Care service is not sufficiently resourced in line with a high and increasing volume of casework, it will not be possible to achieve a good standard of practice	Robust financial planning as part of corporate budget processes to ensure that there is sufficient budget for current and future service need. Ensure that temporary resources are only used for one off improvement activity and that any permanent budget requirements are identified separately and planned for.
If the service response is inadequate, then children may come to significant harm.	Robust monitoring and oversight of casework. Effective performance management and quality assurance framework, and robust governance. Staff development to ensure correct skills level.
If skilled and experienced staff leave the organisation as a result of rapid change activity, then there may be capacity issues within the service and multiple changes in social workers for children and families to cope with.	Ensure that staff are supported through change. Provide effective workforce development opportunities. Recruitment and retention strategy put in place.
If new staff cannot be recruited, then there may be capacity issues and financial pressures within the service.	Recruitment and retention strategy: ensure pay and benefits are competitive and robust approach to recruitment advertising targeted in the right areas, and coupled with effective 'grow your own' scheme to develop newly qualified workers.
If there is low level compliance with the TH model of social work and statutory requirements, then children may come to significant harm.	A training programme has been put in place for all staff to ensure there is a clear understanding of the TH model of social work, and statutory requirements.

Description	Mitigation / Resolution
If the pace of progress in implementing the improvement plan is not fast enough to meet the requirements for 'good' by April 2019, then Ofsted may subject the service to additional measures and/ or intervention by commissioners.	Ensure sufficient resourcing of improvement plan; Rigorous and systematic monitoring of improvement plan; performance management and quality assurance framework
If the quality of the data is poor, then it may result in inaccurate performance monitoring and analysis, and ultimately risk to children.	Data cleansing of existing data; Implementation of robust use of child level data by team managers; data quality reports; action by managers to ensure that data entered into case management system is accurate
If the council's political leadership across all parties are not fully engaged or aware of their roles and responsibilities in relation to children's services, then there may be a lack of appropriate scrutiny and accountability.	Continuing training and development for elected members. Ongoing regular meetings with the Mayor, Lead Member, Chief Executive and Corporate Director. Support for Overview & Scrutiny.
If partners are not fully engaged or aware of their roles and responsibilities in relation to the improvement activities, then some improvement actions may not be achieved.	Senior leadership from key partners are members of the Children's Services Improvement Board to ensure they are involved in the strategic development and oversight of their agency's involvement. The LSCB has strengthened its leadership structure and focus.
There is a risk that ICT infrastructure problems prevent access to systems and/ or management information undermining improvement progress	Contingencies are in place to access child data in the event of ICT outage. Social work staff have been prioritised for access and support as required when systems experience issues.  Improvement plan in place to ensure improved reliability within 12-18 months.

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

- 10.1 Our improvement plan includes activity to improve support to children at risk of involvement in gangs or being sexually exploited.

## **11. SAFEGUARDING IMPLICATIONS**

- 11.1 Safeguarding children is a core focus of the improvement plan.
- 11.2 The Ofsted judgement rated our local safeguarding children board 'inadequate.' Work is underway to address this finding and improve the work of the board.



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## **Linked Reports, Appendices and Background Documents**

### **Linked Report**

- None

### **Appendices**

- None


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

- None

### **Officer contact details for documents:**

N/A

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<p><b>Cabinet</b></p> <p>20 March 2018</p>	 <p><b>TOWER HAMLETS</b></p>
<p><b>Report of:</b> Debbie Jones, Corporate Director, Children's Services</p>	<p><b>Classification:</b> Unrestricted</p>
<p><b>Strategy for Children and Young People with SEND: Findings from Strategy Consultation and Proposed New Strategy</b></p>	

<b>Lead Member</b>	<b>Councillor Amy Whitelock Gibbs, Cabinet Member for Education and Children's Services</b>
<b>Originating Officer(s)</b>	Christine McInnes, Divisional Director for Learning and Achievement
<b>Wards affected</b>	All wards
<b>Key Decision?</b>	Yes
<b>Community Plan Theme</b>	<b>A Fair and Prosperous Community</b>

### Executive Summary

This paper provides a summary of feedback received during the consultation process for the proposed new Strategy for Children and Young People with Special Educational Needs and Disabilities (SEND) 2018 - 2023. The consultation took place in October and November this year and comments were invited to a draft SEND Strategy and submitted via online survey or, for some parent / carers, via consultative meetings.

There was a largely positive welcome to the draft SEND Strategy, with many respondents wanting to see the actions set out in the draft being taken forward. The main themes that emerged from the consultation were:

- Leadership
- Communication
- Transparency, finances and reporting
- Opportunities for young people post-16
- The SEND Charter
- Timeliness of assessments for different children with SEND
- Early intervention and early years.

The paper recommends changes to be made to the draft strategy for comment. A draft set of KPIs is also set out, with the proposal that these form the core of reporting and accountability for the strategy to leaders and to stakeholder in Tower Hamlets.

To ensure that the financial changes that need to be made to implement the strategy are understood and supported by one of the key stakeholder groups, school leaders, as review of the current use of the main ring-fenced funding was undertaken during the autumn. The group made recommendations for changes which are also outlined in this report.

## **Recommendations:**

The Mayor in Cabinet is recommended to:

1. Consider and comment on the draft SEND Strategy.
2. Consider and comment on the proposed key performance indicators for the SEND Strategy.
3. Consider the outcome of the consultation on the SEND strategy.
4. Approve the preparation of a document for stakeholders to communicate “what we heard; our response”.
5. Agree a date and how planning will begin for the launch of the new SEND Strategy in 2018

### **1. REASONS FOR THE DECISIONS**

- 1.1 To report on the findings from this autumn’s consultation about a draft SEND Strategy, to ensure the findings are sufficiently addressed in the final Strategy and that the commitments can be delivered between 2018 – 2023.
- 1.2 Approval of the key findings and to make recommendations for revisions to the final, proposed SEND Strategy for presentation and consultation to leadership groups across the Council and CCG.

### **2. ALTERNATIVE OPTIONS**

- 2.1 Not to update the SEND Strategy.

### **3. DETAILS OF REPORT**

#### **3.1 Scope of the SEND Strategy**

Following an external review of SEND provision in the London Borough of Tower Hamlets which was completed in December 2016, there was agreement across all stakeholder groups of the need for change. All the special schools in the borough are judged Outstanding by Ofsted, however a range of concerns were identified including lack of compliance with statutory duties. This evidence informed a business case for the need to undertake a radical review of the strategy for SEND and financial decision-making. The strategy will set out the direction for 2018 to 2022 to establish a flexible and responsive SEND system across the London Borough of Tower Hamlets for children and young people with SEND aged from 0 to 25 years of age and their families. The strategy proposes five priorities in order to improve outcomes for children and young people:

1. Leading SEND - including good leadership, access to finance information and quality staffing for services

2. Timely identification and assessment - including faster assessments, more feedback from parent / carers and groups of schools making more SEND decisions.
3. Better outcomes and pathways - including access to personal budgets and a local set of outcomes so we know better how children are doing.
4. Clear information and involvement - including a new SEND Charter and greater involvement for parents/carers and young people in decisions.
5. Moving on - including support to make a better start in the early years, better work experience and more local, supported housing.

The SEND Strategy is jointly led by the London Borough of Tower Hamlets(LBTH) and Tower Hamlets Clinical Commissioning Group (THCCG). The budgets that will fall within its scope include:

- the high needs funding block (from the DfE), currently £44.7 million, plus a projected overspend for 2017-18;
- Children’s social care expenditure on children and young people with SEND, largely the provision of short breaks and respite together with support and care for those who are looked after: £4.6 million.
- TH CCG also oversees contracts and expenditure on health care for children and young people with SEND. Preliminary analysis has identified at least £2.1 millions of support commissioned for children with the highest needs. It is anticipated that this is an under-estimate.

Following the external review of SEND, a process of early engagement was commissioned that took place during May and June 2017. This provided the opportunity to discuss key themes with stakeholders and begin a conversation in Tower Hamlets about the type of system we want to support children and young people with SEND. Findings from the early engagement were reported to DLT in July 2017. These findings and the SEN Review provided a strong foundation to draft the proposed SEND Strategy for consultation. The draft was subject to discussion and amendment by chief officers and members, prior to being made available for public consultation.

### 3.2 **Consultation**

The consultation was led by LBTH Communications Team, who provided the support to post the consultation on the Council website, to desktop publish the full draft SEND Strategy and to print 500 copies of an easy-read summary for distribution to stakeholders via schools, children’s centres and specialist centres such as the Parents Advice Centre and the Child Development Team. The main channels for residents, parents / carers, young people and professionals to submit their comments on the draft strategy was via the online survey on the Council’s website and promoted on the Local Offer website and by THCCG. The survey and information on the Council website were launched on 18<sup>th</sup> October 2017 and closed to responses on 27<sup>th</sup> November 2017.

In addition to the Council channels, the consultation was promoted on the Local Offer website and short presentations about the consultation were prepared for headteachers and SENCOs to use as part of encouraging

discussion and response by parents / carers and by pupils. These were circulated to all schools after half-term. Several consultative meetings were also held to inform parents / carers, in particular, about the draft strategy and also with SENCOs as part of their termly conference.

Engagement recorded in the consultation were as follows:

- Responses to the online survey 91 responses
- Parents / carers and young people: 140 participants
- SENCOs and other professionals 86 participants.

In addition to responses from individuals, the online survey offered the opportunity for responses to be submitted on behalf of organisations.

Responses submitted by organisations included:

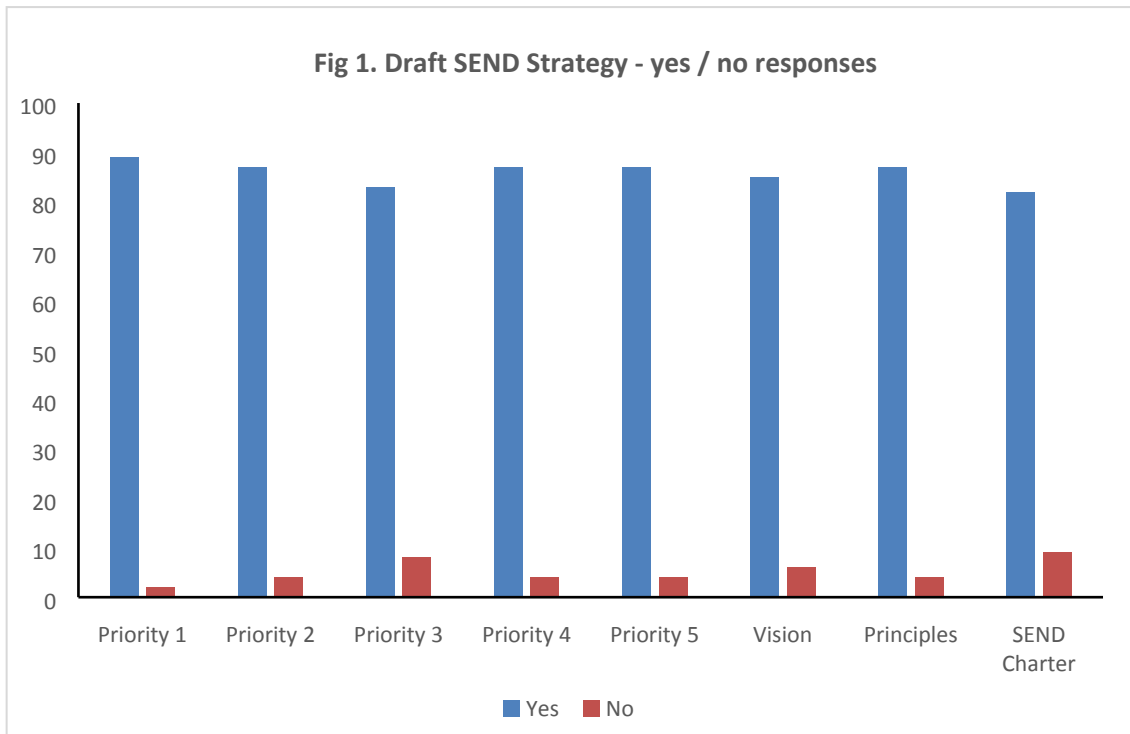
- Tower Hamlets Deaf Children's Society
- The Tower Hamlets Parent and Carers Council
- Tower Hamlets Education Partnership (THEP)
- Our Time, all-abilities young people's group
- The Phoenix Parents Advice and Support Group
- At least three early years settings and five schools.

A few key stakeholder groups were poorly represented in the responses, in particular social care professionals and health care professionals.

### 3.3 Findings

The overall response was a positive welcome that LBTH and THCCG are committed to work together to champion the long-term wellbeing of children and young people with SEND.

Before submitting comments, respondents were asked to indicate their broad support or disagreement with the core elements of the draft SEND Strategy: the proposed vision, principles, SEND Charter and each of the five priorities for development. Fig 1 illustrates that participants were very positive: with agreement being registered by over 90% of respondents, ranging from 98% for priority 1 (Leading SEND) to 90% in support of the SEND Charter.



Comments submitted that corroborate the welcome given to the strategy include:

- “With the correct structure and commitment this could drastically improve children's lives and futures in Tower Hamlets”;
- “A clear strategic vision is required in order to ensure all children with SEND in Tower Hamlets receive equal support no matter where they live in our borough”;
- “Joined up working will be critical, and not letting things slip or get delayed.”

The following themes were noted as prompting several comments and/or discussion at consultative meetings and will be considered in turn:

- Leadership
- Communication
- Transparency, finances and reporting
- Opportunities for young people post-16
- The SEND Charter
- Timeliness of assessments for different children with SEND
- Early intervention and early years.

### 3.3.1 Leadership

Throughout the development of the SEND Strategy there has been agreement about the need for concerted leadership of SEND in Tower Hamlets. This should address:

- the fragmentation experienced by parents / carers and professionals presently,
- provide visible leadership and reassurance for families (very few parents / carers know who is “in charge” beyond the headteacher at their child’s school)

- reach out to all Tower Hamlets' residents to increase understanding about children and young people with SEND.

With 1 in 7 children and young people in Tower Hamlets having SEND, they are an important group of vulnerable residents. There was almost 100% agreement from respondents to the consultation about priority 1, Leading SEND, and its commitment to establishing an SEND Board to lead the implementation of the new Strategy.

### 3.3.2 Communication:

Communication is an important cross-cutting theme for the SEND Strategy. In particular parents / carers are looking to improved communication to increase their trust in the SEND system and to enable them to be involved.

Communication arrangements should build on existing successes, such as how well parents / carers feel involved at special schools, as well as regularly seeking out the views of families whose child, or children, has SEND.

A communication plan should feature as part of the implementation planning, to ensure that there is continued improvement in communication at all levels of the SEND system this should include:

- active communication and updates for families as their child is undertaking or waiting for assessment, whether for autism, mental ill-health or for an EHC needs assessment;
- the SEND Local Offer website must continually focus on being as responsive and accessible as possible to Tower Hamlets parents / carers and young people with SEND, for example routine uploading of short information video clips;
- parents / carers views should be canvassed at least annually and findings from surveys or open meetings be communicated widely.

### 3.3.3 Transparency, finance and reporting:

There is strong support to increasing the information available publicly about the financing of SEND and how the use of the budget is consistent with the principles and priorities in the Strategy. Parents / carers want to know more about personal budgets (“yes, I should know how much is going where for my son”). There were demands to involve families about difficult budget decisions too, “if the SEND budgets are 2% overspent what is going to be cut?”, and also a good summary about the difference that the SEND Strategy is making. A specific recommendation is to include a set of key performance indicators (KPIs) with the implementation plan and to report progress against these widely. A draft set of KPIs are set out in annex 1, for consideration.

### 3.3.4 Opportunities post-16:

There is strong support for an increasing focus on young people with SEND post-16, both to maintain improvements in their learning and wellbeing achieved at school and to orientate school and care to better equip young people with the skills to become as independent as possible. Young people consulted commented:

- “I want to be able to work and be independent”
- “I want someone who supports me as I do or find work experience (e.g. job coach)”



- “there should be clear paths to progression to employment for young people with SEND”.

Whilst others highlighted that, “Many young adults would do very well in supported living, so eliminate the stresses in the family unit.”

These changes and cross-sector partnership, education, business, health and care, together with young people and parental involvement, will be led by the new Preparation for Adulthood group. It is proposed that its work would fall under the Complex Adults Board, with accountability to the Children and Families Partnership too.

### 3.3.5 SEND Charter:

The large majority of respondents to the consultation agree with the proposal for a new Charter for SEND. Those that commented requested that parents and children and young people with SEND be involved in its development and implementation. Implementation was seen as vital: that it does not take too long, that its impact is monitored so there are clear differences the Charter achieves and that sectors beyond schools and SEND services are involved. The few dissenting voices questioned whether the Charter might just be a distraction or a ‘set of words’ that do not actually add anything to children and young people’s lives.

It is recommended that the commitment to develop the SEND Charter with parents / carers and children and young people is maintained in the SEND Strategy and this is an early target for the implementation of the strategy.

### 3.3.6 Timeliness of assessment:

Two earlier consultations, report in the SEND Review (2016) and the Early Engagement for the SEND Strategy (2017), and the current consultation heard from parents / carers that maintaining a strong focus on improvements to the needs assessment of children with SEND is essential. Whilst acknowledging there have been some changes for the better in the statutory EHC needs assessment process, there is still some way to go to re-establish trust in this system. Parents / carers were also vocal about improvements being needed in the timeliness of assessments for autism and for mental ill-health and for support to be provided for families whilst on a waiting list. Other parents / carers also raised the issue of existing EHC plans, many of which are of poor quality and have been criticised by families, and that there is no commitment in the Strategy to improve all EHC plans, new and existing. A few respondents also commented about the proposal for a larger role for “groups of schools” in needs assessment and there should be more information and consultation as part of any changes.

### 3.3.7 Early intervention and early years

Several respondents to the online survey highlighted the importance of maintaining and improving support for the young children so that needs can be identified early. The importance of early intervention for groups such as those with severe learning difficulties and impairments was cited and the evidence that this results in better life-long outcomes for the child. Ensuring more effective reaching of all families with young children with additional needs to be emphasised, with an emphasis on support rather than extensive assessments.

It is proposed that KPIs on early years and early intervention should feature in the regular reporting of progress with the SEND Strategy.

### 3.4 **Recommended revisions to the SEND Strategy**

As highlighted above, considerable support was given by respondents for the draft SEND Strategy. It is recommended that the final Strategy is based on the draft, with the following changes:

- Governance for the Strategy establishes a new SEND Board, led by Children's Services, and adds that the Preparation for Adulthood group is led by Complex Adults Board.
- Key performance indicators (see: Annex 1) are agreed for reporting to LBTH Children's Services and THCCG and to the SEND Board.
- Work starts on developing an implementation plan that includes a clear communication plan and the SEND Charter, as an early innovation.
- Clarification is sought about whether there is capacity for the Mayor's SEND Employment Challenge.
- Priority 2 includes a commitment to improving the quality of all EHC plans during the lifetime of the Strategy.

It is also recommended that a "you said ... we responded" summary of the consultation about the draft SEND Strategy is prepared and made available to stakeholders, particularly for families of children and young people with SEND.

### 3.5 **Reviewing the use of the High Needs Funding Block**

During the autumn term an advisory group of school leaders and officers examined the current use of the HNFB and how this matched with SEND needs and priorities within the borough. The group made the following recommendations for a three year transformation plan (2018-2020) which alongside work to reduce the current upward trend for individual Education, Health and Care Plans, should better meet current needs and demands as well as addressing actual and projected overspends in the budget. The recommendations have been agreed by Children's Service DLT and Schools Forum.

- a. To reduce the size of the budget retained by the LBTH from the HNFB.
- b. To expand the number of special school places to accommodate an additional 120 students by 2021 in areas of identified special need (through specialist pupil place planning)
- c. To undertake a review of the specialist social, emotional and mental health (SEMH) schools and places in order to establish a sustainable provision.
- d. To review the current specialist resource bases in school and ensure more equitable top-up funding and a greater responsiveness to future SEND need.

- e. For the Fair Access Panel (FAP) Review to report on ways to reduce the proportion of pupils and their length of stay in alternative provision (AP) as well as the size of the allocation for AP from the HNFB.

#### **4. COMMENTS OF THE CHIEF FINANCE OFFICER**

- 4.1 The financial context for the SEND Strategy is determined by the funding provided by the Government through the Dedicated Schools Grant (DSG). This is a ring fenced grant provided by the DfE to fund all education provision. Like many aspects of the public sector this has experienced recent changes in the approach and will no doubt be subject to further change. However, for the purposes of the SEND strategy it is important to have clarity about the available funding because if the Strategy is to realise its aims, then there will be financial implications and they will need to be achieved within the available resources and agreed by the Schools Forum.
- 4.2 The costs of implementing the new SEND Strategy will be set out in the implementation plan. The approach to joint, implementation reporting to the SEND Board are yet to be agreed between THCCG and LBTH.
- 4.3 Some proposals that are put forward do have financial implications. Examples include:
  - increased pooling of budgets between education, social care and health to enable more extensive joint commissioning and increased deployment of personal budgets for the families of children and young people with high needs;
  - a joint statement about personal budgets and direct payments for children and young people with SEND between LBTH and THCCG;
  - scrutiny by the SEND Board of SEND budgets, including the high needs funding block from the DfE, and involvement in making recommendations for future expenditure, such as releasing funding for post-16, and cut-backs;
  - trialling local, school-led SEND decision-making groups, with a delegated budget to support early intervention and certain top-up payments;
  - increasing the availability of supported housing and other accommodation for young people with complex SEND.

#### **5. LEGAL COMMENTS**

- 5.1 In September 2014 the introduction of the Children and Families Act 2014 brought about major reforms to the way local authorities and other organisations support children and young people with Special Educational Needs or Disabilities. The aim of the changes was:
  - get education, health care and social care services working together
  - tell children, young people and their parents what they need to know about their disability or special educational needs

- make sure children, young people and families know what help they can get when a child or young person has special educational needs or a disability
  - make sure that different organisations work together to help children and young people with special educational needs
  - give children and young people and their parents more say about the help they get
  - set up one overall assessment to look at what special help a child or young person needs with their education, and their health and social care needs, all at the same time
  - give a child or young person just one plan for meeting their education, health and social care needs, which can run from birth to age 25 if councils agree that a young person needs more time to get ready for adulthood
  - make sure children, young people and their parents can choose some of the help they need
  - provide ways to help sort things out if a child or young person or their parent needs to appeal about the help they get
- 5.2 The Special Educational Needs and Disability Code of Practice 0 to 25 years is the related statutory guidance for organisations which work with and support children and young people. This places a duty on the Council to consult children with SEN or disabilities, and their parents and young people with SEN or disabilities when reviewing local SEN and social care provision.
- 5.3 Consultation has taken place on proposed new Strategy for Children and Young People with Special Educational Needs and Disabilities (SEND) 2018 – 2023. This paper provides a summary of feedback received during the consultation process for the proposed new Strategy for Children and Young People with Special Educational Needs and Disabilities (SEND) 2018 – 2023
- 5.4 There is a common law duty that applies to this consultation exercise and which imposes a general duty of procedural fairness when exercising functions which affects the interests of individuals. This requires:
- (a) that the consultation be at a time when proposals are still at a formative stage and the proposals are still formative and this has been complied with.
  - (b) the Council must give sufficient reasons for any proposal to permit intelligent consideration and response and this has been complied with.
  - (c) adequate time must be given for consideration and response and this has been complied with.
  - (d) the product of consultation must be conscientiously taken into account and this report is asking the Mayor in Cabinet to consider the product of the

consultation before making considering and commenting on the draft Strategy.

- 5.5 The consultation exercise described in this report meets the common law duties in respect of procedural fairness, as well as the duties set out in the Statutory Guidance that child, young people and their parents must be consulted with in determining the Council's strategy for SEND.
- 5.6 In considering the recommendations in this report, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not (the public sector equality duty). A proportionate level of equality analysis is required to discharge the duty.

## **6. ONE TOWER HAMLETS CONSIDERATIONS**

- 6.1 Children from black and minority ethnic (BME) backgrounds are over-represented in the cohort of children with SEND in Tower Hamlets. The reasons for this are not fully understood, however there are a number of contributory factors including consanguinity and lack of engagement with early years services. A strategy that supports the improvement of the delivery of services to this cohort will have a positive impact. The strategy will also champion services more pro-actively engaging with key BME communities to promote better understanding of SEND and ways to support families.
- 6.2 The strategy also aims to improve services and support to a cohort who explicit includes those with disabilities and it is incumbent upon the Council to work to eliminate any discrimination they may face, under the provisions of the Equalities Act.
- 6.3 A copy of the full equalities analysis can be found in Appendix 3.

## **7. BEST VALUE (BV) IMPLICATIONS**

- 7.1 A new SEND strategy will set the framework for future budgeting decisions for the, annual SEND budget which is in excess of £50 million across LBTH and THCCG. Due to increased demand, this budget is under pressure and the strategy proposes that fairness should be a key principle underpinning decisions support and resources to enable this. There has been early implementation work underway with headteacher representatives to make recommendations about future scrutiny of the SEND budgets and of ways to make reductions in response to future budget pressures.

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

- 8.1 None

## **9. RISK MANAGEMENT IMPLICATIONS**

- 9.1 The new SEND Strategy is built on SEND Review from 2016 and early engagement consultation during summer 2017, as well as the consultation with stakeholders on the proposed draft SEND Strategy.  
A defined communication plan as part of the implementation planning for the new Strategy will go a long way to addressing the concerns of stakeholders and partners.

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

- 10.1 None

## **11. SAFEGUARDING IMPLICATIONS**

- 11.1 Children and young people with SEND are a key group of vulnerable residents of Tower Hamlets. The SEND Strategy will support increased consistency through establishing vision for all services across the Tower Hamlets and to make the identification and assessment processes more timely, resulting in better multi-agency support for some of the most vulnerable families.

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### **Linked Reports, Appendices and Background Documents**

#### **Linked Report**

- NONE

#### **Appendices**

- Appendix 1: SEND Strategy
- Appendix 2: SEND Strategy summary
- Appendix 3: SEND Strategy KPIs

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

- NONE

#### **Officer contact details for documents:**

Tricia Boahene

## Appendix 1: SEND Strategy

### TOWER HAMLETS SEND STRATEGY (2018 – 2023)

*An inclusive approach to learning and support for children and young people with special educational needs and disabilities (SEND)*

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## 1. Foreword

Welcome to our new Strategy for Children and Young People with Special Educational Needs and Disabilities (SEND).

There are around 8,000 children and young people in Tower Hamlets, between the ages of 2 and 25, who have SEND. We take seriously our joint responsibility to coordinate support, care and learning for these children and young people, so they are able to fulfil their ambitions and to thrive.

We are proud of the quality of the schools and early years provision in Tower Hamlets: Ofsted recognises how good the support and teaching for children and young people with SEND is. We know, however, there are things that we need to do better. As part of this, we are committed to working more closely with parents and carers of children and young people with SEND, who are usually the first to know when things are going well in their child's life, but also the first to know when things are not the way they should be.

The lead organisations for the SEND Strategy are the London Borough of Tower Hamlets' (LBTH) Children's Services and Tower Hamlets Clinical Commissioning Group (THCCG). We will set up a new SEND Strategy Board, which will be at the centre of a partnership that makes sure the commitments in this document are delivered. We will also communicate the successes and achievements to all residents of Tower Hamlets.

In developing the new strategy, we have consulted widely with parents and carers, with professionals working with children and young people with SEND and with the children themselves. Their views have informed the five priorities we set out for the next five years. These are:

1. Leading SEND
2. Timely identification and assessment
3. Better outcomes and pathways
4. Clear information and involvement
5. Moving on.

As strategic leaders, we are excited that there will be more opportunities for young people with SEND to take up supported employment through the Mayor's employment challenge and we expect the SEND Charter to become a visible sign of the commitment to providing quality care, support and education.

We look forward to joining all residents in Tower Hamlets in understanding and supporting those with SEND better and in considering how to play a part in the lives of these children and young people.

Signed:

*Lead member for Children's Services*

*Lead member for Adults Services*

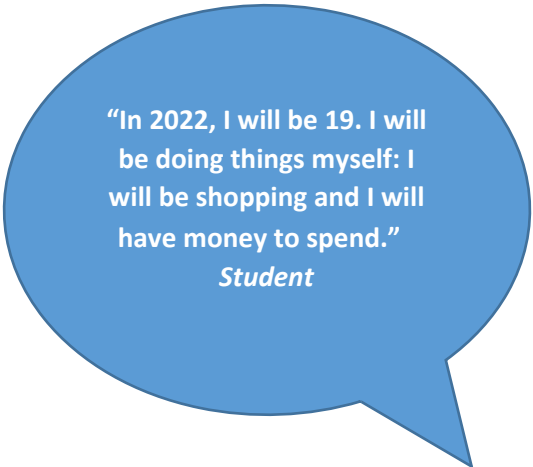
*Chair THCCG*



## 2. Introduction

### *Purpose and Scope of the Strategy*

This Strategy sets the direction for the next five years for children and young people with SEND in Tower Hamlets, aged from 0 to 25 years, and for their families. Our ambition is to establish a flexible and responsive SEND system (see: appendix 1). The Strategy focuses on children and young people's educational achievement and overall wellbeing, including the social care and health care support provided for them. Its implementation is led by the London Borough of Tower Hamlets (LBTH) and Tower Hamlets Clinical Commissioning Group (THCCG).



"In 2022, I will be 19. I will be doing things myself: I will be shopping and I will have money to spend."

*Student*

Tower Hamlets has been without an overarching vision and joint strategic direction for SEND for some years. Through consultation we have been informed there is a need to establish visible, strategic leadership and accountability (see: Chapter 10) and to improve communication and transparency. As leaders of a renewed SEND system, we will improve the 'join-up' between provision and involve those with SEND, and their families, more in decision-making. At the heart of this shared direction is our vision:

#### *Our vision is:*

..... for all Tower Hamlets' children and young people with special educational needs and disabilities (SEND) to lead fulfilling lives and be as independent as possible, supported to learn, thrive and achieve by their families, services and local communities.

This vision is underpinned by our strategic principles. We will expect all services and schools in Tower Hamlets to both pledge their commitment to these principles and be able to demonstrate how they put these into practice, through the new SEND Charter. During the next five years, our ambition is also to extend the reach of the SEND Charter to involve commercial and leisure organisations as well.

The SEND principles are:

- All services providing high-quality education and care.
- Education, health and social care services working well together, supported by voluntary and independent organisations, and sharing accurate information in the best interest of the child and their family.
- Children, young people and their parents and carers are helped to plan and make choices about their support as much as possible.
- Funding and support is allocated fairly and openly.
- Children and young people are helped to be as independent as possible.
- Additional needs are identified as early as possible and provision made available locally within supportive communities.

During the first year of the Strategy, the LBTH and THCCG will work with parent and carer groups and young people with SEND to develop the SEND Charter. We will then work with schools, early years

providers and other services to make a commitment to the Charter and display this as part of showing their support for children and young people with SEND and their families.

### 3. Children and young people with SEND: the national and local context

#### *National policy and local guidance*

National and local policy, plus research and evidence from across the country, provide the foundation for the Strategy, combined with our knowledge about the children and young people with SEND in Tower Hamlets. We considered these through a joint strategic needs assessment (LBTH 2018a) and an overview of the main policy, population and financial information are set out below. We also undertook two consultation exercises to both inform the Strategy (LBTH 2017b) and hear views on the draft strategy (LBTH 2018b).

#### Key messages from local people

- There should be strong and visible leadership of the SEND system in Tower Hamlets. The commitments in the strategy require effective leadership to ensure they are implemented.

“A clear strategic vision is required in order to ensure all children with SEND in Tower Hamlets receive equal support.”

“For me it comes down to communication: who do I talk to about my child, who is in charge?”

The strategy “... seems positive and aspirational. There is much to be done to establish genuine joined up working across services.”

- Parents and carers want to be involved. They want to build on their involvement in decisions about their own children and have their views sought and to be represented on decision-making groups.

“Young people should be involved in Strategy Board and both parents and young people should have support in understanding how things 'work'.”

“Parents involvement in what they can use funding for and what their child should automatically be entitled to within the education system.”

The SEND Charter “must be done with parents and young people involved.”

- Good information that is easily available. An easy to access ‘Local Offer’ site is an important element, as is transparency by professionals supporting children and young people with SEND, including on budgets.

“There needs to be more information regarding the SEND 'pathways' through the education system.”

“More parent groups and clearer information on things available for specific children.”

- Better planning for the future. To make the most of the resources available and to ensure there are school and college places and the staff to provide the education and care.

“How will we ensure that there are staff in place to support the increasing number of children with SEND and EHC plans?”

“We welcome more systematic assessment of SEND need and planning in advance for sufficient special school places.”

- All of these should lead to better futures and opportunities for children with SEND as they become young adults:

“More should be done to create partnership with business to create opportunities for young people with SEND.”

“We need to have high expectations, but also realistic expectations.”

### National policy

The Department for Education (DfE) leads the SEND system for England and defines the legislative, policy and funding arrangements. The DfE's vision is of "children and young people with SEND achieving well in their early years, at school and in college; finding employment; leading happy and fulfilled lives; and having choice and control over their support." (DfE 2015b).

The current arrangements for the education and care of children and young people with SEND are largely governed by the Children and Families Act (2014). Part 3 of this requires local authorities, schools and academies, early years providers and NHS bodies to pay regard to the regulations and to the statutory Code of Practice for SEND (DfE 2015a).

Duties in the Children and Families Act (2014) include:

- To work across the local authority and health to jointly commission services that deliver integrated support for children and young people with SEND aged 0-25, including arrangements that support personalisation and personal budgets.
- For the local authority to work with local partners, parents and young people to co-produce and publish a Local Offer of SEND services and to assist young people in finding employment, obtaining accommodation and participating in society.
- For the local authority to provide co-ordinated education, health and care needs assessments for children and young people aged 0 - 25 and issue education, health and care (EHC) plans.
- For NHS clinical commissioning groups (CCGs) to put in place mechanisms to ensure practitioners and clinicians can support the integrated EHC needs assessment process.

The Care Act (2014) sets out duties local authorities and CCGs must fulfil for children and young people with disabilities and their families, including direct payments and supporting transitions to adult care services.

The Government holds the local SEND system to account through Ofsted and the Care Quality Commission (CQC) who have been tasked to carry out evaluations of local areas in England and their support for children and young people with SEND. Inspection teams assess the effectiveness of the local organisations in identifying and meeting the needs of all children and young people with SEND from ages 0 to 25 (Ofsted 2016).

### Local policy and guidelines

The following Tower Hamlets policies and strategies relate to this Strategy and have informed the development of the priorities:

- the Adult Autism Strategy (2017 - 22),
- the Health and Wellbeing Strategy (due for implementation),
- the Tower Hamlets Children and Families Plan 2016 - 2019
- joint commissioning plans,
- the Tower Hamlets Transformation Plan for Children and Young People's Mental Health and Wellbeing,
- the Adult Learning Disability Strategy (2017 – 2020).

### A Tower Hamlets outcomes framework

To establish a shared focus between children and young people, their families, and the early years setting / schools / colleges and services that support them, an outcomes framework will be developed. The framework will serve as a 'golden thread' and link the elements of the local SEND system: from commissioning of services, through learning and care pathways and curriculum planning in schools /

college, to individual outcomes in EHC plans. Progress against these outcomes can then be monitored by the SEND Board.

The SEND Code of Practice (DfE 2015a) expects outcomes to be a central feature of a child or young person’s EHC plan. In an EHC plan outcomes should be holistic (i.e. are shared between education, health and care), person-centred, last for a phase or stage, be about things that can be influenced, based on what is important to and for the child or young person (SE7 2015). By establishing a Tower Hamlets Outcomes Framework, services and families can be reassured there is sufficient breadth of provision in an individual’s EHC plan and have confidence that the outcomes relate to learning programmes and the commissioning of services.

Informed by the outcomes tool commissioned by the DfE from Preparing for Adulthood (PfA 2015), the following five areas will form the basis of the Tower Hamlets Outcomes Framework:

- Keeping healthy and well.
- Skills for independence and living locally.
- Learning, employment and participation in local activities.
- Choices and having the right support
- Feeling respected and safe.

National and local prevalence

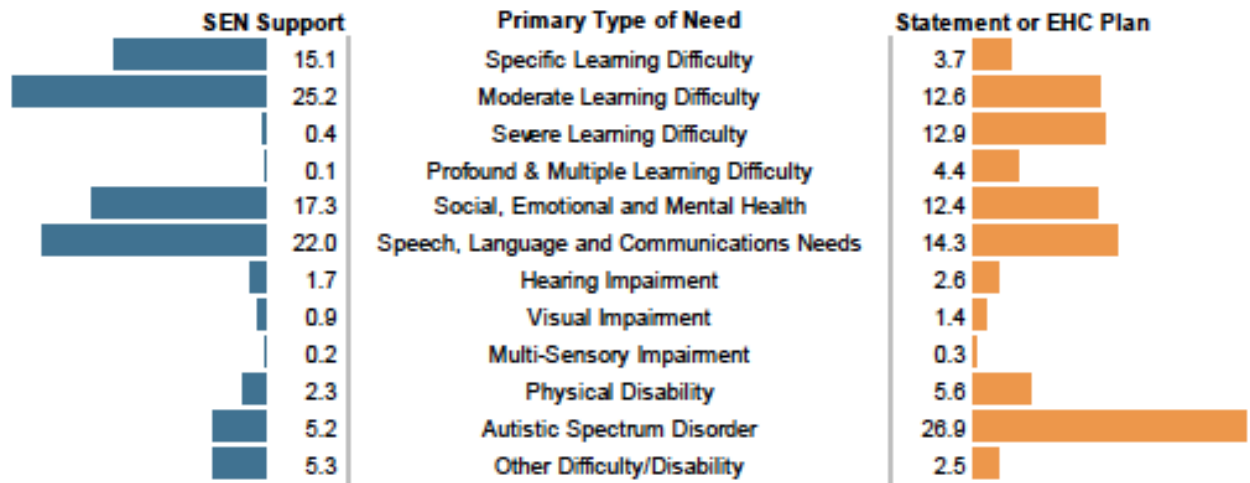
There are about 47,000 children and young people of school age in Tower Hamlets and about 1 in 6 of are identified as having SEND: a total of nearly 8,000 pupils (see: table 1). Tower Hamlets is one of London’s fastest growing boroughs, with the population as a whole is expected to grow by 22 per cent by 2026. This is twice as fast as the London average and three times that of England as a whole. The school-age population is projected to grow even faster: by 28% during this same period and rising to 57,600 (LBTH 2016). As well as an additional 10,000 children attending schools and colleges, this growth could result in as many as 600 more children and young people who need to be supported through an EHC plan.

Table 1 Proportion of school pupils with SEND

	<b>Total school / college population</b>	<b>Total with SEND</b>	<b>Total at SEN support</b>	<b>Total EHC plan or statement</b>
<b>England</b>	8,669,080	1,244,253 (14.4%)	1,002,069 (11.6%)	242,184 (2.8%)
<b>Inner London</b>	517,000	81,779 (15.8%)	66,231 (12.8%)	15,548 (3.0%)
<b>Tower Hamlets</b>	46,679	7,897 (16.9%)	5,640 (12.1%)	2,257 (4.8%)

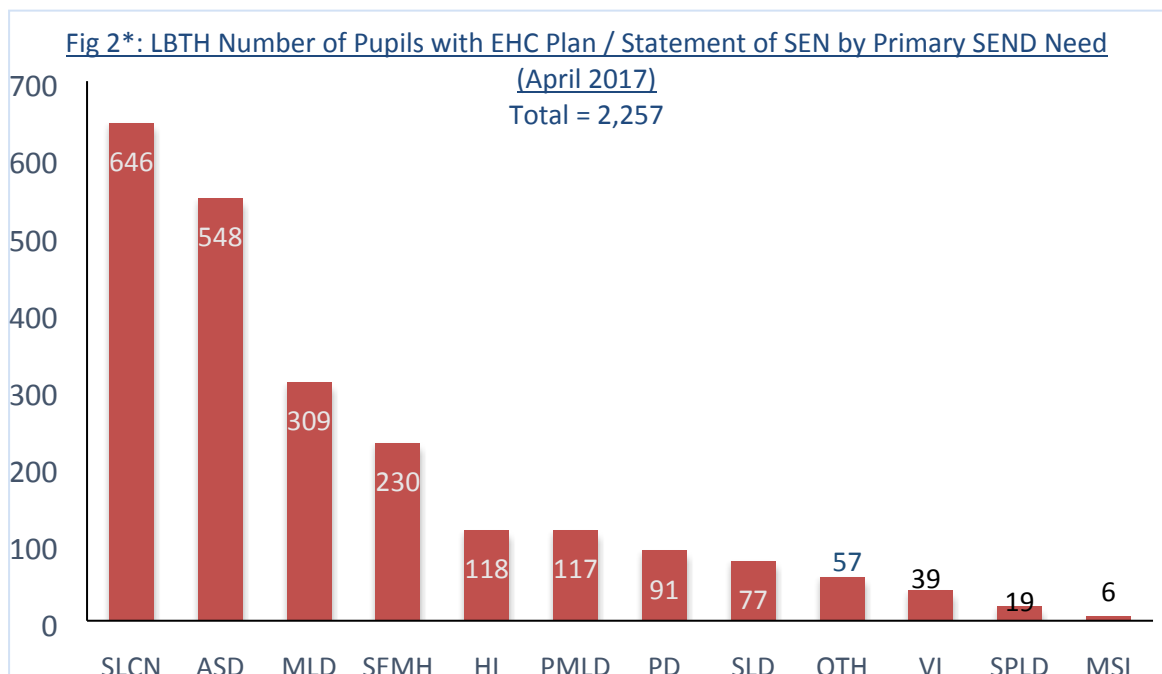
In England (see Fig 1) the most frequent primary need of children and young people assessed as requiring an EHC plan is autistic spectrum disorder (ASD) whilst for those at SEN support the largest groups are those with moderate learning difficulties (MLD) and speech, language and communication needs (SLCN), respectively. Professionals anticipate that, over time, the proportion of these with an EHC plan with MLD will reduce, as their needs are increasingly met at SEN support.

**Fig 1 Percentage of children and young people, nationally, by primary SEND need: at SEN support or with an EHC plan**



Source: Schools census, January 2017

Fig 2 shows a breakdown, by primary need, of children and young people in Tower Hamlets with an EHC plan. The largest group of those with an EHC plan in Tower Hamlets is those with speech, language and communication needs (SLCN), at 28.6%, followed by those with autistic spectrum disorder (ASD), at 24.3%. Comparison with fig 1 indicates that the proportions of children with SLCN with an EHC plan in Tower Hamlets is out of step with the proportions seen nationally. Overall the proportion of pupils with an EHC plan has continued to increase since 2014 and, in 2017; as a result, Tower Hamlets has the second highest level of issuing of EHC plans across local authorities in England.



\* - see appendix 1 for abbreviations

Table 2: LBTH Number of Pupils at SEN Support in Tower Hamlet Schools (Jan 2017)

Primary need	Number of pupils (total = 5,597)	Percentage of those at SEN support
Speech, language and communication	2,235	39.9%
Social, emotional and mental health	1,242	22.2%
Moderate learning difficulty	828	14.8%
Specific learning difficulty	571	10.2%
Other	191	3.4%
Non-specific	157	2.8%
Hearing impairment	137	2.4%
Autism spectrum disorder	89	1.6%
Physical disability	70	1.3%
Visual impairment	46	0.8%
Severe learning difficulty	14	0.3%
Multiple sensory impairment	10	0.2%
Profound and multiple learning difficulty	7	0.1%

Of children and young people identified at SEN support in Tower Hamlets (table 2), the largest group, again, is those with speech, language and communication needs (SLCN), at 39.9%, and then those with social, emotional and mental health needs (SEMH) who make up 22.2% of the total. Those at SEN support with SLCN are, again, significantly higher than the proportion recorded nationally (see fig 1).

More information about children with SEND in Tower Hamlets

Children and young people with SEND are a key vulnerable group. National evidence shows that nearly 30% of pupils eligible for free school meals have SEND, even though these children and young people comprise 14.4% of the school population. The reasons for a larger number of families living in poverty include the fact that there is a strong link between poverty and the underlying causes of certain SEND, whilst the extra support demands of bringing up a child with SEND are more likely to move a family into poverty (JRF 2016).

This Joseph Rowntree Foundation report also highlights the importance of education to help children and young people become as independent as possible. In Tower Hamlets children are well supported to learn and develop in our schools and nurseries, with, for example, a higher proportion of those at SEN support achieving expected learning by the end of year 6 and similar performance for those with an EHC plan (see table 3a). Similarly, pupils attain well in Tower Hamlets schools by the end of key stage 4 (see table 3b).

**Table 3a. Pupils’ attainment at the end of primary school (key stage 2). Tower Hamlets and England.**

Category of pupil	Percentage achieving level 4 or above in reading, writing and mathematics	
	Tower Hamlets	England
Without SEND	78%	70%
Children at SEN support	31%	20%
Children with a statement or EHC plan	8%	8%

**Table 3b. Pupils’ attainment at the end of secondary school (key stage 4). Tower Hamlets and England.**

Category of pupil	Average attainment 8 score Tower Hamlets 2017	Average attainment 8 score England 2017
Without identified SEND	49	46
SEN support	33	N/A
SEND (statement or EHC plan)	28	N/A

Source: Tower Hamlets SEND JSNA (2018a)

Whilst large numbers of children and young people are learning well at school, the number of those with SEND who are in vulnerable families and subject to children protection plans, is also relatively high. Table 4 shows that, although only 4.2% of children in the borough have an EHC plan, 21.3% of those with a child protection plan had one: children with a CPP are five times more likely to also have high levels of SEND than those in the general population (LBTH 2018a).

**Table 4: Child protection plans (CPPs) issued for children with and those without EHC plans, Tower Hamlets (March 2017).**

Category of CPP	With EHC plan (number, %)	With no EHC plan (number, %)	Total
Neglect	35 (43%)	67 (22%)	102
Physical abuse	8 (10%)	63 (21%)	71
Sexual abuse	4 (5%)	11 (4%)	15
Emotional abuse	31 (38%)	149 (50%)	180
Multiple	3 (4%)	10 (3%)	13
<i>Total</i> <i>(% of total with CPP)</i>	<i>81</i> <i>(21.3%)</i>	<i>300</i> <i>(78.7%)</i>	<i>381</i>

Source: Tower Hamlets SEND JSNA (2018a)

There are also 800 children and young people whose level of need has been assessed as needing short-break support from the Children with Disabilities Team and a further 145 young people between 18 and 25 in receipt of support from the Community Learning Difficulties Service. Although, between 40 and 50 of these young adults have been assessed to meet thresholds for supported accommodation, there are few units available within the Borough, so most are accommodated outside Tower Hamlets.

#### Local finance

The overall high needs funding block allocated to Tower Hamlets (from the DfE), in 2017-18, was about £46.08 million and we expect this to increase to £48.5 million for 2018-19. Over 90% of this is allocated to schools in the form of top-up payments for additional support for children and young people with an EHC plan. In recent years there has been a significant overspend on this budget.

Children's social care support for children and young people with disabilities invests £4.6 million per annum, through the provision of short breaks, respite and complex care packages.

TH CCG estimates it commissions over £2.1 million of health care for children and young people with an EHC plan or statement of SEN. There is further NHS support commissioned for those at SEN support that has yet to be quantified financially.



#### 4. How we intend to develop our local SEND system

##### *Priorities for the next 5 years*

The strategic priorities for children and young people with SEND have been developed and tested as the result of a local review of SEND services (LBTH 2017a) and ‘early engagement’ discussions with parents and carers and children and young people, and with early years settings / schools / colleges and services (LBTH 2017b). Supported by system-wide leadership, energised partnerships and informed by good data, the priorities will ensure the Strategy achieves the local opportunities and support for these children and young people to learn, receive the care they need and thrive.

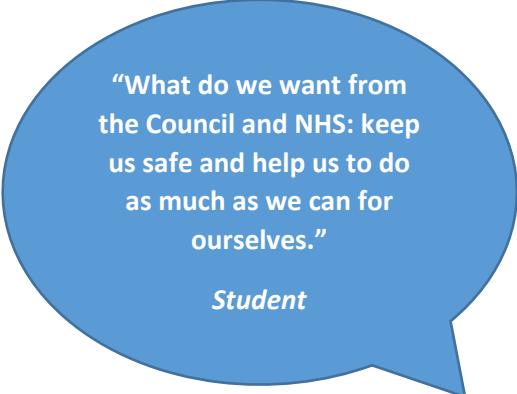
We will maintain a focus on value for money and build stronger partnerships with parents and carers to increase the level of confidence in the Tower Hamlets SEND system.

The five priority areas for children and young people with SEND are:

1. Leading SEND
2. Timely identification and assessment
3. Better outcomes and pathways
4. Clear information and involvement
5. Moving on.

The details of each priority are set out in the next five chapters. For each, the case for the priority is summarised, followed by an overview of current activity and services and, then, changes to be implemented during the lifetime of the Strategy.

The progress within each priority will be evaluated annually, looking at what is working, what needs to continue to improve and what lessons have been learned. Each priority will be supported by detailed action planning which will be overseen by one of the proposed SEND sub-groups. Performance will be monitored by these groups and progress reported regularly to the strategic SEND accountability group (see: Chapter 10).



“What do we want from the Council and NHS: keep us safe and help us to do as much as we can for ourselves.”

*Student*

## 5. Priority 1: Leading SEND.

### Why is this important and what people said?

National evidence shows that the areas where children and young people with SEND thrive and achieve well are ones with strong strategic leadership of SEND (Ofsted 2016). The active involvement of school / college headteachers and principals is particularly important. A SEND system consists of all services and provision across the local area (i.e. Tower Hamlets) for children and young people with SEND and their families. An effective SEND system is strongly led with a clear, shared vision, and constantly reviews its evidence and data in order to keep improving. It is held to account by other leaders and by parents / carers.

Professionals and parents / carers in Tower Hamlets identified many pockets of good practice, such as the 'outstanding' local special schools. They also identified inconsistencies, fragmentation and unclear direction. Headteachers and service managers reported there is a need for a clear vision across Tower Hamlets that all sign up to (LBTH 2017a). Parents / carers want to know who is leading and to be invited to be involved and have their say on future developments and change. Existing SEND arrangements are under pressure from increases in demand and parents / carers asked to have more of a voice about how SEND funding is used (LBTH 2017b).

What is being done	What is our focus for action?
<ul style="list-style-type: none"> <li>LBTH and the NHS have largely been working in parallel to set the direction for services for children and young people with SEND and complex needs. Several decision-making and operational groups run, but there is little reporting on progress.</li> </ul>	<ul style="list-style-type: none"> <li>Work is underway to streamline decision-making groups and invite more involvement by parents / carers. Oversight of this will be an important initial focus for the SEND Strategy Board.</li> </ul>
<ul style="list-style-type: none"> <li>Headteachers and early years managers provide good leadership in schools and early years settings, but have limited involvement in the leadership of SEND across Tower Hamlets. There is scope to increase the sharing good practice between schools and between early years settings.</li> </ul>	<ul style="list-style-type: none"> <li>Work with headteachers to increase the level of their involvement in the SEND system in Tower Hamlets. A first step will be for a group of headteachers to review the use of 'high needs' funding.</li> </ul>
<ul style="list-style-type: none"> <li>All Tower Hamlets special schools are good or outstanding and most of the learning and provision for children and young people with SEND in mainstream schools and in early years settings is good. There is a patchy understanding of current and future workforce needs across education, health and social care.</li> </ul>	<ul style="list-style-type: none"> <li>Work across schools, with the Tower Hamlets Education Partnership (THEP) and across early years, health and social care, to ensure the availability of excellent professional development and oversight of the workforce supporting children and young people with SEND.</li> </ul>
<ul style="list-style-type: none"> <li>A lot of information is gathered about children and young people with SEND and there are strategic arrangements for sharing information in the best interest of the child. However, this data and information is too often in separate databases and limited use is made of it to</li> </ul>	<ul style="list-style-type: none"> <li>To identify ways that LBTH and THCCG can improve the reliability of the data held and its availability to professionals who are working with children with SEND and their families. This includes trialling of a system to project possible future demand for special school places.</li> </ul>

tell us how we are doing and future needs that need to be planned for.	
<b>In the first 12 months, what will we do?</b>	
1.	Launch a new SEND strategic accountability group, that includes headteacher and parent and carer representation. We will have streamlined SEND groups and established reporting and accountability and consulted on our key performance indicators (KPIs).
2.	Headteachers will have led a review of high needs funding. Changes will have begun that seek to achieve balanced SEND budgets by 2021.
3.	Reviews will be underway of specific specialist education provision with the aim of ensuring sufficient capacity in Tower Hamlets based on current and future needs.
4.	A data platform will have been commissioned to support robust modelling of future levels of SEND need, including alternative provision, and strategic leaders will have discussed planning and commissioning for future special school and alternative provision places.
5.	Development of a data dashboard will have commenced that captures and summarises key data for all children and young people with SEND, including academic progress, exclusions and destinations at age 16 and 19.
6.	A profile of the core SEND workforce will start being developed and strengths and pressures for future recruitment identified.
<b>What will we have changed by 2023?</b>	
1.	The strategic board receives reports about the core SEND-related budgets and facilitates equitable funding decisions and improved outcomes. The KPIs will have been achieved or are on-track to completion.
2.	There will be a sustainable number of school places for children and young people with an EHC plan and joint planning for the health and social care support to meet their needs. There will be greater diversity of options for students needing alternative provision and better outcomes.
3.	The workforce to educate and care for children and young people with SEND will be well understood and effective responses have resulted in fewer occupations with recruitment pressures. Professional development will be available in early years, schools and colleges and across Tower Hamlets to ensure excellent education and care for children and young people with SEND.
4.	There will be good access for professionals to a data profile about outcomes and services for children and young people with SEND, underpinned by an information-sharing agreement signed by the NHS and LBTH.
5.	The data dashboard will inform leaders and the SEND Board where performance is good and where improvements are needed, across education, social care and health.
<b>How will we know if this is working?</b>	
<ul style="list-style-type: none"> <li>• Local surveys of parents and carers of children with SEND will report that nearly all have received information about who leads SEND and about our local KPIs.</li> <li>• All local special schools offer good or outstanding education and the number of places in special provision has increased to meet needs.</li> <li>• The progress of all pupils with SEND in mainstream schools and early years settings is monitored and</li> </ul>	

shows children and young people with SEND continuing to make good progress.

- All partners in the Strategy will be committed to the shared vision for children and young people with SEND.
- Tower Hamlets' data will offer clear, reliable information about the progress towards outcomes being made by all children and young people with SEND.

## 6. Priority 2: Timely identification and assessment

*Across, education, health and social care that leads to earlier intervention*

<b>Why is this important and what people said?</b>	
<p>The SEND Code of Practice (DfE 2015) expects the child’s school / college / early years setting to have lead responsibility for identifying and assessing special education needs and disabilities (SEND). Initially this involves the school or early years setting working closely with the child, their parents / carers and other services to assess need and, if necessary, implement additional SEN support, which is continually evaluated. Where a child’s needs are much higher and SEN support results in little progress, an application for an EHC needs assessment should be considered. The EHC needs assessment process and the coordination of EHC plans is the responsibility of the Council. LBTH should ensure that other assessments and reviews of the health or care of the child or young person are coordinated with the annual review of their EHC plan.</p> <p>During consultation, parents / carers and schools described important improvements needing to be made to the EHC needs assessment processes in Tower Hamlets. Parents / carers said that communication should be much better throughout the process and many felt their views were not reflected, if their child had an EHC plan. Whilst invited to be involved in their child’s annual review, they often found that updates and decisions were not reflected in revisions to the EHC plan. Parents / carers also wanted to reduce the number of times that they were asked for the same information about their child: for example, better information sharing with GPs so this information is on their child’s health records (LBTH 2017a).</p>	
<b>What is being done</b>	<b>What is our focus for action?</b>
<ul style="list-style-type: none"> <li>• A SEND Review was completed which highlighted short-comings and under resourcing in statutory SEND processes in the Council. This has been responded to with additional staffing and a restructure.</li> </ul>	<ul style="list-style-type: none"> <li>• To monitor statutory SEND processes and ensure they are carried out efficiently. Work is underway to continue to develop the capabilities of staff managing these processes and increase co-production with parents / carers.</li> </ul>
<ul style="list-style-type: none"> <li>• There are separate assessment processes for families with a child with SEND seeking support from social care and from health. There has been limited information sharing between these teams and the SEN Section.</li> </ul>	<ul style="list-style-type: none"> <li>• Streamlining decision-making: <ul style="list-style-type: none"> <li>○ relaunching the SEND Panel,</li> <li>○ trialling an Integrated Funding Panel for joint decisions about children and young people with complex SEND and health needs</li> <li>○ clear referral routes and case information-sharing between these panels.</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• Early years services have been restructured and new arrangements in place to support settings to identify and address children’s additional needs. A pathway for the screening of developmental progress by health visitors has been established.</li> </ul>	<ul style="list-style-type: none"> <li>• Embed the new arrangements that support children with SEND and additional needs attending early years settings, together with a process to evaluate the effectiveness of the 2-year check programme provided by health visitors.</li> </ul>
<ul style="list-style-type: none"> <li>• Following widespread consultation, the CAMHS Transformation Plan commits new investment, including for a new community eating disorder service and services for young people with severe conduct disorder.</li> </ul>	<ul style="list-style-type: none"> <li>• Securing good alignment between SEND and mental health planning and commissioning. Stronger links that improve service and outcomes, especially for young people diagnosed with an eating disorder or conduct disorder.</li> </ul>

<ul style="list-style-type: none"> <li>An autism spectrum disorder diagnostic assessment service (ASDAS) is established and provides high quality assessments.</li> </ul>	<ul style="list-style-type: none"> <li>To improve timeliness of the autism diagnostic assessment process, by reviewing the pathway and efficiency of the service.</li> </ul>
<b>In the first 12 months, what will we do?</b>	
1.	A renewed and robust process for EHC needs assessment will be established, which engages well with parents / carers and involves schools, together with early years, health and social care.
2.	The developmental screening for 2 year olds will have been evaluated and the processes and criteria for SEND assessments for children aged 4 and under will have been streamlined.
3.	Work will have started to test models of support and intervention for young people with SEND who also display challenging behaviours.
4.	A review will have been completed on the pathways for assessing children and young people for autism and commissioning recommendations made to the strategic board to ensure appropriate waiting times.
<b>What will we have changed by 2023?</b>	
1.	We will have an established, robust, electronic system for administering EHC needs assessments and for monitoring and updating all EHC plans, through annual reviews.
2.	We will have quality assured and updated all EHC plans, including parent and carer views. This will include all EHC plans issues before 2017.
3.	We will have reduced duplication of assessment processes for parents / carers of children and young people with an EHC plan.
4.	Parents / carers will be routinely invited to feedback on the EHC needs assessment process and their child's annual review and a summary will be reported to the SEND Strategy Board.
5.	All early years settings will report having a good understanding of how to identify additional needs and the support that is available. Over 90% of two year olds will have attended developmental screening.
6.	Findings of a trial of local SEND assessment and resource clusters, involving the majority of schools in Tower Hamlets, will be reported to the SEND Board and wider roll-out planned.
<b>How will we know if this is working?</b>	
<ul style="list-style-type: none"> <li>Ofsted / CQC area SEND inspection will give objective evaluation that there are robust EHC processes in place.</li> <li>The percentage of the school / early years population with an EHC plan will have reduced from the 2017 baseline (4.8%) to nearer the national average, presently 3.1%.</li> <li>At least 90% of EHC needs assessments will have been completed within 20 weeks.</li> <li>Autism diagnostic assessments will all be completed within 3 months of being placed on the waiting list.</li> <li>Increasingly positive feedback will be received from parents / carers about the experience of the needs assessment process and the wording of their child's EHC plan.</li> </ul>	

## 7. Priority 3: Better outcomes and pathways

### Mapping education and care pathways for children and young people with SEND

<b>Why is this important and what people said?</b>	
<p>The commissioning of support and services for children and young people with SEND is led by the Council's Children's Services and by THCCG. Most of the funding for SEND goes to support over 2,200 children and young people with high needs (with an EHC plan). The SEND Code of Practice (DfE 2015a) and best practice from around the country highlight how the needs of children are met most effectively when commissioning and planning are undertaken jointly and underpinned by shared outcomes. Mapping care pathways is best practice across the NHS (PHE 2016), including for groups of children and young people with SEND conditions. Person-centred planning is extensively practiced in Tower Hamlets and provides an excellent way for the child and their parents / carers to be involved in their learning and care (LBTH 2015).</p> <p>During consultations schools and parents and carers asked for a stronger focus on opportunities and skills for independence: there was agreement that a local outcomes framework would assist with achieving this. This could then underpin outcome-based commissioning decisions and help to shape learning programmes in early years settings, schools and colleges (LBTH 2017b). Parents and carers requested having more information about personal budgets and ways they could influence their child's budget being used to offer the best support. Parents and carers also commented that they would like pathway maps to help them to identify suitable services for their child (LBTH 2017b).</p>	
<b>What is being done?</b>	<b>What is our focus for action?</b>
<ul style="list-style-type: none"> <li>• There is thorough, but separate, commissioning in place in children's social care and in health. In education, there is individualised personal procurement. An overall joint commissioning agreement has been signed by LBTH and THCCG.</li> </ul>	<ul style="list-style-type: none"> <li>• Taking steps to implement more joint commissioning locally and start to jointly commission speech and language therapy services. To have better alignment with related areas of commissioning, such as child and adolescent mental health.</li> </ul>
<ul style="list-style-type: none"> <li>• THCCG and LBTH are partners in an integrated personalised commissioning (IPC) programme, which is trialling work on personal budgets.</li> </ul>	<ul style="list-style-type: none"> <li>• Starting to provide a breakdown of the resources and funding as part of new EHC plans. Starting to offer integrated personal budgets to children, young people and their parents and carers (NHS 2017).</li> </ul>
<ul style="list-style-type: none"> <li>• Individual children and young people's progress in their learning and the impact of care they receive, is monitored through reviewing EHC plans. These annual reviews adopt recommended, person-centred planning approaches.</li> </ul>	<ul style="list-style-type: none"> <li>• Conducting initial research for an outcomes framework for children and young people with SEND, including how a framework applies to EHC plans and early years / school / college learning programmes.</li> </ul>
<ul style="list-style-type: none"> <li>• Care support is provided to many children with SEND and their families: <ul style="list-style-type: none"> <li>○ short breaks are supported for nearly 800 children and young people with disabilities;</li> <li>○ over 300 care packages for children, many with complex needs, are commissioned</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Researching outcome-based commissioning that better links commissioning and care packages with support for education, as set out in individual EHC plans.</li> </ul>

between health and social care.		
<ul style="list-style-type: none"> <li>Care and education services are mostly structured for certain groups of children and young people and their individualised goals and plans. Some mental health pathways have been reviewed and strengthened.</li> </ul>		<ul style="list-style-type: none"> <li>To start to develop a Tower Hamlets approach to mapping pathways of support and learning for 'typical' groups of children and young people with SEND.</li> </ul>
<b>In the first 12 months, what will we do?</b>		
1.	Joint commissioning agreements for children and young people with SEND will have been signed by the Council and THCCG.	
2.	An assessment of options for a commissioning framework for independent placements of children and young people with SEND will have been carried out.	
3.	We will have agreed a joint programme for integrated personal budgets and widely communicated this across the Tower Hamlets; to parents / carers and to professionals. The strategic board will have agreed plans for rolling out personal budgets.	
4.	The first 'life course' pathways will have been mapped: for children and young people with severe and complex learning difficulties or for those with autism, and will have involved parents and carers.	
5.	A joint outcomes framework for children and young people with SEND will start being developed.	
<b>What will we have changed by 2023?</b>		
1.	All independent placements for children and young people with SEND will be commissioned using a procurement framework, which will be linked to reciprocal arrangements with local boroughs.	
2.	All commissioning for children and young people with SEND will be underpinned by the outcomes framework and the performance of services reported to the strategic board against these outcomes.	
3.	Personal budgets and direct payments will be widely taken up and all EHC plans will include a resource breakdown against the provision and outcomes for the child or young person.	
4.	The outcomes framework for SEND will be central to planning and reporting on care and education, including to the strategic board, utilising systematically collected data.	
5.	There will be 'life course' pathway maps for all main SEND groups, from age 0 to 25, that have been co-designed with parents and young people. The strategic board will use the pathways to consider service gaps or over provision.	
<b>How will we know if this is working?</b>		
<ul style="list-style-type: none"> <li>Parents and carers will have been involved in the mapping and design of 'life course' pathways and feedback where these have been helpful to them.</li> <li>Case examples of children and young people's improved outcomes as a result of better commissioning.</li> <li>The large majority of parents and carers will feedback that they understand personal budgets and case studies of how they are used will have been widely disseminated.</li> <li>Independent placements will be better managed and the progress of children and young people routinely monitored as a result of the joint procurement framework.</li> </ul>		



## 8. Priority 4: Clear information and involvement

*Increasing participation and better communication with parents and carers and children and young people with SEND.*

*"We are bombarded with information and often told what we should be doing. How do we find the right*

### **Why is this important and what people said?**

There is a strong emphasis in the SEND Code of Practice (DfE 2015) on involving parents and carers wherever possible in planning and organising the support for their child. It also expects good access to up-to-date information about SEND, through the Local Offer. Evidence tells us that children benefit and thrive when they are part of a resilient family (AYPH 2015). Provision of short breaks and other respite is an important support for families with one or more children with SEND. By working in close partnership with families, services help to ensure that children and young people with SEND remain safe and can be supported to be as independent as possible within their communities.

Parents and carers told us during consultation that they want to be involved in decisions about services and are waiting to be invited. Young people and parents and carers also told us that, too often, they found it difficult to identify the most relevant services and information for them (LBTH 2017b). More information about local mediation support was identified as being needed. A number said that they had experienced some local people, and even a few NHS and Council staff, being unsympathetic to their child's needs. They want more information presented visually or through video, as well as in written form (LBTH 2017b).

<b>What is being done?</b>	<b>What is our focus for action?</b>
<ul style="list-style-type: none"> <li>Person-centred planning is widely adopted locally and support is provided for schools and early years settings to embed these approaches and actively involve parents and carers.</li> </ul>	<ul style="list-style-type: none"> <li>Better systems to ensure pupils' progress towards their EHC plan's outcomes, as reported during annual reviews, are systematically recorded by the Council and understood by parents and carers.</li> </ul>
<ul style="list-style-type: none"> <li>The Local Offer website has been improved and has a wide range of information about local services on it. We ensure service information is reviewed and updated at least annually.</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring parents and carers know about and access the Local Offer site. Having effective opportunities for parents and carers to provide their feedback about the local SEND system and the Local Offer website.</li> </ul>
<ul style="list-style-type: none"> <li>Access to personal advice and support is provided to parents and carers who have a child with SEND through the Parents Advisory Centre (PAC) who work with about 600 families a year. About 700 young people with learning difficulties or disabilities are involved with youth providers and access positive activities that enrich their lives.</li> </ul>	<ul style="list-style-type: none"> <li>To ensure there are increasing opportunities for parents and carers to meet together and give their views about the changes to SEND across Tower Hamlets. Implement more effective mediation arrangements for parents and carers.</li> </ul>
<ul style="list-style-type: none"> <li>The communication and involvement around SEND is largely focused on separate professional</li> </ul>	<ul style="list-style-type: none"> <li>To improve linking between professional networks, across education, health and care</li> </ul>

networks and parents and carers groups. There is limited perception of the views of the majority of residents of Tower Hamlets, except where negative experiences are reported by parents and carers.	services, and between parent and carer groups.
<ul style="list-style-type: none"> <li>Transport assistance is provided to many children and young people with SEND to access their education at school or college.</li> </ul>	<ul style="list-style-type: none"> <li>To ensure travel needs are considered in the early stages when planning support for children and young people with SEND. Considering how transport costs should feature in EHC plans.</li> </ul>
<b>In the first 12 months, what will we do?</b>	
1.	The new SEND Charter will have been developed and consulted upon and a communications strategy for children and young people with SEND and their families developed.
2.	Consistent and clear links between the Local Offer website and the SEND pages on all school / college sites and other key service providers will have been established.
3.	A baseline will have been established of views about schools, early years, LBTH services and health services across Tower Hamlets, through surveys of parent and carers and of young people with SEND.
4.	The Parents Advice Centre will oversee a growing network of parent and carer support groups, including good links to SEND decision-making groups and with groups hosted by special schools.
5.	Arrangements for dealing with complaints about SEND and offering mediation will be coordinated across the NHS and LBTH.
6.	Information about the new Strategy and vision for children and young people with SEND will have been communicated to all residents in Tower Hamlets.
<b>What will we have changed by 2023?</b>	
1.	The SEND Charter will be widely known and all schools and colleges, and health and care settings, will have committed themselves to the Charter.
2.	The Local Offer website will be a central feature of effective communication with parents and carers across Tower Hamlets. A good range of media, including SMS, social media and video-sharing will be used to engage users of the Local Offer site.
3.	There will be access to training and online information for parents and carers linked to all of the 'life course' pathways. Parent and carer volunteers will regularly carry out 'mystery shopper' activities to help to maintain improvements in services.
4.	Residents of Tower Hamlets will report better informed views about children and young people with SEND. Fewer negative experiences will be reported by parents and carers during their dealings with LBTH and NHS staff.
5.	There will be fewer complaints from parents and carers about SEND and a low level of cases that are heard at Tribunal.
6.	Parents and carers will be represented throughout the SEND system, including on the strategic board and at decision-making Panels.

**How will we know if this is working?**

- Parents and carers views are represented on all appropriate SEND groups and there is regular two-way communication with the key groups across Tower Hamlets.
- There is a high level of feedback from parents and carers about the Local Offer site. There is good satisfaction reported by parents and carers and young people about the information about SEND that they can access.
- Feedback from parents and carers about the SEND Charter will be that it is helpful to achieving the support they need for their child with SEND.
- Local resident surveys will identify greater knowledge about children and young people with SEND.
- Parent and carers, trained as 'mystery shoppers', will report improvements in access to information and mediation via health, education and social care staff.

9. Priority 5: Moving on

*helping children and young people to start and leave school and services well.*

*"I want to be independent when I'm older; have help to get a job or do work experience."*  
Student

**Why is this important and what people said?**

Children and young people with SEND are among our most vulnerable citizens and many of them find the changes they experience as they grow-up difficult. It is vital that services and schools / colleges / early years settings communicate as well as possible with children and young people with SEND and their family when important changes are coming up. When moving school, all records and plans should be transferred effectively to the new school or college and key staff should be well briefed (DfE 2015). The SEND Code of Practice (DfE 2015) sees the years from age 14 to 19 as particularly important in planning opportunities to fulfil the young people's ambitions for adult life and to prepare for independence and future major changes. During consultation, we were told by young people that they want the opportunities to be independent, to be safe and to enjoy time with family and friends, including in parks and leisure facilities (LBTH 2017b). A number of parents told of their fears for their child beyond the age of 19 and difficulties ensuring timely assessments for adult services. Strong views were expressed, by parents and carers and professionals, that there needs to be a greater focus on independent living and having the skills and work experience opportunities so young people can fulfil their ambitions (LBTH 2017b).

What is being done	What is our focus for action?
<ul style="list-style-type: none"> <li>A restructure of the early years services has taken place. Additional capacity for health visitors has been commissioned and integrated teams have started work at identified children's centres.</li> </ul>	<ul style="list-style-type: none"> <li>To successfully embed integrated working in children's centres, monitor increases in the recruitment of health visitors and monitor increases in uptake two year old health reviews.</li> </ul>
<ul style="list-style-type: none"> <li>There is some planning for transition to adult support services for most young people with an EHC plan. However, consultation has identified that improvement is needed to the consistency and timeliness of assessments.</li> </ul>	<ul style="list-style-type: none"> <li>To review current systems for carrying out assessments for adult health and social care services and set out plans to ensure all these take place early enough and are linked to the young person's ambitions and outcomes as set out in their EHC plan.</li> </ul>
<ul style="list-style-type: none"> <li>Post-16 education for young people with SEND is provided at school sixth forms and further education (FE) colleges. There are a limited number of supported employment and internship opportunities available in Tower Hamlets. There is a limited picture of future needs and how to plan to meet these across Tower Hamlets, particularly for those aged over 18 with complex needs.</li> </ul>	<ul style="list-style-type: none"> <li>Exploring ways to audit the post-16 options and pathways for young people with SEND and identify the data kept about the future destinations of young people with SEND.</li> </ul>

<ul style="list-style-type: none"> <li>The need for more local supported housing places has been identified, as part of developing the Adults with Learning Disabilities Strategy, and a business case has been developed for a property to provide 6 new places.</li> </ul>	<ul style="list-style-type: none"> <li>To make better connections across Children’s Services, schools, colleges and housing to improve joint planning to meet future needs.</li> </ul>
<ul style="list-style-type: none"> <li>There are local strategies for adults with autism and with learning disabilities and these will increase joint working across health and LBTH.</li> </ul>	<ul style="list-style-type: none"> <li>Exploring how the needs of young people with SEND are best reflected and coordinated between this strategy and other strategies for adults with disabilities and across the groups that oversee their implementation.</li> </ul>
<b>In the first 12 months, what will we do?</b>	
1.	Multi-professional teams will have been jointly commissioned to work through most children’s centres and extend the number of families being reached and accessing developmental screening.
2.	The Preparation for Adulthood Steering Group will have been launched and it will have started to improve planning and coordination for transitions to adult services for young people with SEND.
3.	An audit of post-16 destinations and achievements of Tower Hamlets young people with SEND will have been carried out. A report will have been presented to the strategic board.
4.	Planning will have started for a “Mayor’s Challenge”: to increase the number of supported internships, apprenticeships and work experience places offered by employers in Tower Hamlets.
5.	Funding will have been secured for at least one new supported housing project for young adults with high levels of learning disability.
6.	Parents and carers will have been consulted about the support and advice they need as they prepare for their child becoming an adult.
7.	All young people with complex SEND will be identified to primary care and adult health services and the local college will have access to health advice to ensure up-to-date health planning is in place for students with an EHC plan.
<b>What will we have changed by 2023?</b>	
1.	Young children’s level of development will continue to improve and there will be almost total coverage of developmental screening for two year olds.
2.	There will be clear and well-understood pathways into training and work experience and towards independent adulthood, for young people with SEND from age 14. This will include timely assessment for adult services for all identified young people.
3.	The successful “Mayor’s Challenge” will have more than trebled the number of supported internships and supported apprenticeships taken up by Tower Hamlets residents.
4.	A clear offer of information and training for parents and carers of young people with SEND will be available via the Local Offer website, to help them prepare for their child becoming an adult.
5.	There will be at least 30 additional, supported housing units on stream and available for young adults in Tower Hamlets.

6.	At least 75% of young adults with SEND attend for annual health check with their GP and all those with complex needs have an up-to-date healthcare plan.
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**How will we know if this is working?**

- The proportion of young children identified as reaching the early years expected level of development will have increased from a 2017 baseline.
- The arrangements for children and young people with SEND to support their transfer to and from school and transitions into adulthood will receive positive feedback from most.
- There will be an increasing number of young adults with SEND in employment and supported internships and apprenticeships in Tower Hamlets.
- The majority of young people aged 19 and over, with an EHC plan, will be living in Tower Hamlets.
- All young people over 18 will have an annual health check and up-to-date healthcare plan, if required.

## 10. Making it all happen

### *Governance and accountability of the renewed SEND system*

The London Borough of Tower Hamlets (LBTH) and Tower Hamlets Clinical Commissioning Group (THCCG) are committed to working ever more closely together under the umbrella of Tower Hamlets Together (THT).

THT is all about health and social care organisations working more closely together to improve the health and wellbeing of all people living in Tower Hamlets ([www.towerhamletstogether.com](http://www.towerhamletstogether.com)). Children and young people with SEND are one of the key workstreams that falls under THT's "Born Well, Growing Well" priority. THT is committed to the vision for children and young people with SEND and to providing the leadership to establish a local SEND system. Its governance and decision-making bodies will be responsible for implementing the commitments set out in the SEND Strategy and will ensure greater involvement from parents and carers and young people.

THT is in the middle of designing and consulting upon its governance structures and finalising how the programmes that it oversees will be coordinated and delivered. This means that detailed, governance arrangements for SEND cannot yet be described but the new structures will be in place before the end of 2018.

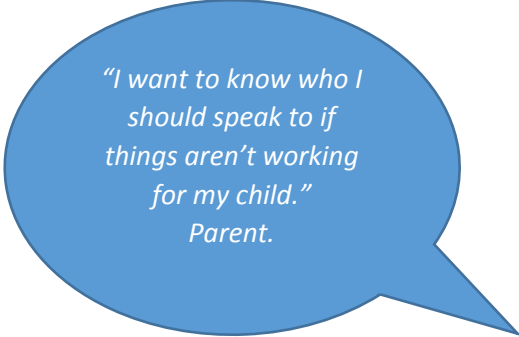
Set out below are the commitments that will lie at the heart of the accountability arrangements for the new SEND system in Tower Hamlets:

- Responsibility for the SEND Strategy will lie with a strategic board whose responsibility will include monitoring progress made against the commitments in the strategy.
- The strategic board will include representation of key stakeholders in the SEND system, this will include headteachers and parent and carer representatives.
- There will be clear reporting and accountability from SEND operational groups and decision-making panels to the strategic board.
- Lines of reporting and communication with other related boards and forums will be clearly described in terms of reference. These will include: the Health and Wellbeing Board, the Joint Commissioning Executive, Schools Forum and the Complex Adults Board.
- A set of SEND key performance indicators (KPIs) will be agreed with the strategic board and the format for summary, quarterly reports to be submitted from each of the operational groups.

It is anticipated that there will be five operational groups that will report to the new strategic board about progress against the commitments in the SEND Strategy. These are:

- The SEND Panel
- Integrated Funding Panel
- The SEND Improvement Group
- Preparing for Adulthood Steering Group
- SEND Operational Working Group

All will undergo a review of terms of reference to demarcate specific SEND Strategy actions and commitments that they will be responsible for progressing. Each will report, quarterly, to the strategic board. All, bar the Preparing for Adulthood Steering Group, are already convened in Tower Hamlets. The Preparing for Adulthood Steering Group will be led jointly by the local authority's Adult Services and Children's Services, and will focus on transitions for young people between the ages of 14 and 25 and on



*"I want to know who I should speak to if things aren't working for my child."  
Parent.*

supporting the best possible adulthood for young people with SEND, including oversight of the Mayor's Challenge.

Good communication and information are important for the success of the SEND Strategy and we will continue to develop the Tower Hamlets Local Offer site as the main information hub for parents and carers and young people. We will increase the involvement of parents and carers through direct support for local parent and carer groups and through better connections between groups, such as with those groups taking place in special schools, specialist early years settings and at New City College London (Poplar). There will be parent and carer representation on all the SEND operational groups.



## Appendix 1

### Key SEND definitions

1. Special educational needs and disabilities (SEND) - A child or young person who has a learning difficulty or disability which calls for special educational provision to be made for him or her (DfE 2015a).

A child or young person of compulsory school age has a learning difficulty or disability if he or she:

- has a significantly greater difficulty in learning than the majority of others of the same age, or
- has a disability which prevents or hinders him or her from making use of facilities of a kind generally provided for others of the same age in mainstream schools or mainstream post-16 institutions.

2. SEN support - Most children and young people with SEND will be helped by their early years setting / school / college 'at SEN support', by implementing reasonable adjustments to remove barriers to learning and through putting evaluated, special educational needs (SEN) provision in place.

3. Education, health and care plan (EHC plan) – those children and young people with high levels of SEND should be referred for a statutory education, health and care needs assessment. If assessed as having SEND that requires adjustments beyond the resources of a mainstream school / college / early years setting, an EHC plan is issued. The plan's purpose is to secure the best possible outcomes for the child or young person, coordinating support across education, health and social care.

As a result of the DfE's SEND Code of Practice (DfE 2015a), EHC plans replaced Statements of SEN.

4. SEND system - All the arrangements and organisations that support and deliver the entitlement to education, health care and social care for children and young people identified as having SEND, including up to age 25 for those with an EHC plan.

5. Commissioning - all the activities involved in assessing and forecasting needs, linking investment to agreed desired outcomes, planning the nature, range and quality of future services and working in partnership to put these in place.

#### Categories of SEND need and their abbreviations:

- Autism spectrum disorder (ASD)  
(or autism spectrum condition - ASC)
- Hearing impairment (HI)
- Moderate learning difficulty (MLD)
- Multi-sensory impairment (MSI)
- Physical disability (PD)
- Profound & multiple learning difficulty (PMLD)
- Social, emotional and mental health (SEMH)
- Severe learning difficulty (SLD)
- Specific learning difficulty (SPLD)
- Speech, language and communication needs (SLCN)
- Visual impairment (VI)

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**Tower Hamlets**  
Clinical Commissioning Group



**TOWER HAMLETS**

# Tower Hamlets SEND Strategy: 2018-2023 Summary

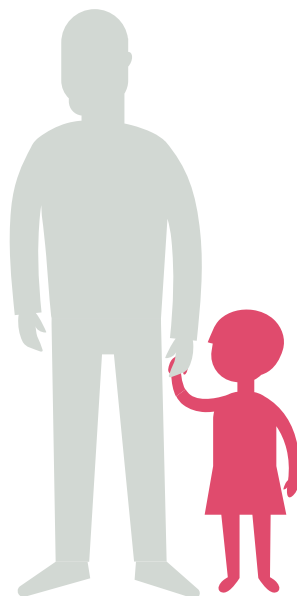
# Introduction

The new SEND strategy sets out our plans for the education and care of children and young people with **special education needs and disabilities (SEND)** in Tower Hamlets from 2018 – 2023.

Many children and young people with SEND, along with their families, rely on support from schools, the council, the NHS and voluntary organisations.

We spend around **£50 million a year in Tower Hamlets** across schools, agencies and services for children and young people with SEND. We know that we can do a better job of coordinating this. The strategy sets out plans to organise both services and budgets so that children and young people with SEND do even better in the future.

The strategy will make sure there are more opportunities and **better information about care and education** across the board. We will also make it simpler for parents/carers to be involved in the big decisions about SEND, as well as with those about the care of their own child, and we will produce updates every year about how it is going.



# SEND in Tower Hamlets

Out of 47,000 children and young people in Tower Hamlets around 7,900 (or 17%) get additional support with their special education needs and disabilities (SEND), which may include:

- Autistic spectrum disorder
- Physical disability
- Social, emotional and mental health needs
- Profound and multiple learning difficulty
- Specific learning difficulty
- Moderate learning difficulty
- Severe learning difficulty
- Hearing impairment
- Visual impairment
- Multi-sensory impairment
- Speech, language and communication needs

Tower Hamlets ranks as having one of the highest proportions of children in the country with SEND.

## Additional help

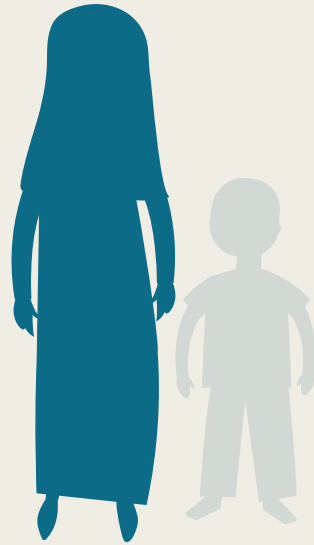
Children and young people with SEND receive additional help with their learning at school. About 1 in 4, however, have high needs. That means they might need extra help from health professionals and care services, as well as from their school. These children will have statutory Education Health and Care (EHC) Plan: a plan which explains the extra help and support the child or young person should have so they are able to learn well at school.

## Population growth

The school-aged population in Tower Hamlets is expected to grow by over 28% by 2026. The number of children with SEND should keep pace with this growth. Although we do not know exactly, this might mean that we have as many as 600 more children and young people with SEND with an EHC plan.

# The vision

**For all Tower Hamlets' children and young people with special educational needs and disabilities (SEND) to lead fulfilling lives and be as independent as possible; supported to learn, thrive and achieve by their families, services and local communities.**



## Principles and the SEND Charter

**The fundamental principles that will underpin SEND in Tower Hamlets:**

- All services will provide high-quality education and care.
- Education, health and social care services will work well together, supported by voluntary and independent organisations, and share accurate information in the best interest of the child and their family.
- Children, young people and their parents/carers will help to plan and make choices about their support as much as possible.

- Funding and support is allocated fairly and openly.
- Children and young people are helped to be as independent as possible.
- Additional needs are identified as early as possible and services made available locally, within supportive communities.

We will work with parent and carer representatives, and children and young people to turn these principles into a "Tower Hamlets SEND Charter" and promote it across the Borough.



# Priorities

## Priority 1

### Leading SEND

- We will launch a new SEND Board that will make key decisions and achieve a balanced budget. Members will include head teacher and parents and carer representatives.
- New planning systems will ensure there are enough school places locally for children and young people with SEND, particularly those with an EHC plan.
- We will use improved statistics, data collection and other information so we know what is working well and where we need to make improvements.
- We will work together to recruit and retain good staff to work with children and young people with SEND.



## Priority 2

### Timely identification and assessment

- We will have improved processes for EHC needs assessments and decision-making, which involve parents/carers and schools, and result in clear EHC plans.
- We will streamline assessments for children and young people with SEND, and remove unnecessary assessments.
- We will review and improve the arrangements for assessing children and young people for autism, leading to shorter waiting times.

## Priority 3

### Better outcomes and pathways

- There will be pathway maps for all main groups of children and young people with SEND that have been co-designed with parents and young people.
- We will include a breakdown of the budgets for all EHC plans.
- We will run a campaign to let more parents know about personal budgets and direct payments so that more people will take them up.



## Priority 4

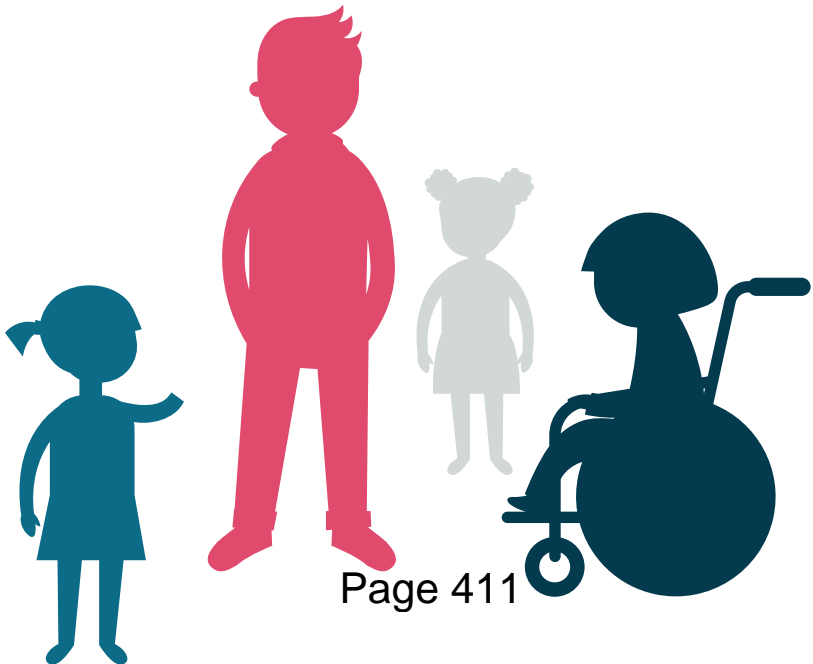
### Clear information and involvement

- We will make sure that the SEND Charter is widely known, is useful and helps parents and carers to get the support they need for their child with SEND.
- Parent and carer volunteers will be trained to carry out 'mystery shopper' activities to identify where we can improve services.
- We want to increase understanding and awareness of SEND locally so that there are fewer reports of negative experiences from parents/carers.

# Priority 5

## Moving on

- We will continue to improve the early identification of children with 'additional needs' under the age of 5.
- We will work with businesses so there is a large increase in the number of supported work experience, internship and apprenticeship places for young people with SEND, as part of the Mayor's Challenge.
- We will have at least 30 additional, supported housing units available for young adults with complex needs in Tower Hamlets.
- We will have clear, updated EHC plans for all young people with SEND from age 14 and make sure they are assessed in good time for any adult services they might need.



# Making it happen

The London Borough of Tower Hamlets and Tower Hamlets Clinical Commissioning Group (NHS) will make sure that all parts of the SEND system – which includes organisations, professionals, parents and carers, along with children and young people with SEND - work together more closely. As a result, we will make better decisions and map out the future direction, together.

We will judge the strategy's success through a set of key performance indicators (KPIs). These KPIs will include:

- Even more under 5s with additional needs reaching the 'expected levels of development.'
- Improved and faster SEND assessments: at least 90% will be carried out within 20 weeks.
- At least a 3x increase in the openings for work experience and apprenticeships for young people with SEND.
- Easy access to clear information for to all parents and carers via the Local Offer website.


The SEND Board will monitor how things are improving in Tower Hamlets and will publish an annual progress report for residents.

## Appendix 3: SEND Strategy KPIs

### Annex 1

<b>Priority 1 “Leading SEND”</b>	<b>Current</b>	<b>By 2023</b>
<ul style="list-style-type: none"> <li>SEND Board established supported by a clear governance structure and SEND annual report produced and widely read</li> </ul>	<ul style="list-style-type: none"> <li>No lead partnership body for SEND. By end 2018: SEND Board with membership reflecting TH SEND system.</li> </ul>	<ul style="list-style-type: none"> <li>Fourth annual report produced, celebrating progress and improvement and direction for future years.</li> </ul>
<ul style="list-style-type: none"> <li>Improved financial transparency including of use of High Needs Funding Block spend / overspend.</li> </ul>	<ul style="list-style-type: none"> <li>Estimated overspend of £4 million (2017-18)</li> <li>Lack of clarity across the system about how money is spent</li> </ul>	<ul style="list-style-type: none"> <li>Break even HNFB budget.</li> <li>Regular reporting on finances through annual reports.</li> </ul>
<b>Priority 2 “Timely identification and assessment”</b>		
<ul style="list-style-type: none"> <li>EHC needs assessments</li> </ul>	<ul style="list-style-type: none"> <li>Xx% of EHC needs assessments completed within 20 weeks (incl exceptions)</li> </ul>	<ul style="list-style-type: none"> <li>90% of all EHC needs assessments completed with 20 weeks.</li> </ul>
<ul style="list-style-type: none"> <li>More timely assessments for ASD</li> </ul>	<ul style="list-style-type: none"> <li>Average waiting time of xx weeks for ASD assessment.</li> </ul>	<ul style="list-style-type: none"> <li>Average xx weeks waiting time for ASD assessment.</li> </ul>
<ul style="list-style-type: none"> <li>Improved quality of EHC plans</li> </ul>	<ul style="list-style-type: none"> <li>0% of current [2,257] (Sept 2017) EHC plans reviewed and improved for quality and outcomes.</li> </ul>	<ul style="list-style-type: none"> <li>Xx% of all EHC plans have been quality assured and include up-to-date outcomes.</li> </ul>
<b>Priority 3 “Better pathways and outcomes”</b>		
<ul style="list-style-type: none"> <li>Special school place planning (excluding AP)</li> </ul>	<ul style="list-style-type: none"> <li>School places – special schools 548; NCCL FE places 250. Estimated demand in 2023: 670; 330 respectively.</li> </ul>	<ul style="list-style-type: none"> <li>Progress towards estimated place total: special schools – ; FE – .</li> </ul>
<ul style="list-style-type: none"> <li>Exclusion rates for pupils with an EHC plan or at SEN</li> </ul>	<ul style="list-style-type: none"> <li>FP exclusions with a EHC plan &amp; at</li> </ul>	<ul style="list-style-type: none"> <li>FP exclusion rate for pupils with an EHCP</li> </ul>

support	SEN support: <ul style="list-style-type: none"> <li>Permanent exclusion with a EHC plan &amp; at SEN support:</li> </ul>	xxx; for those at SEN support xxx. <ul style="list-style-type: none"> <li>Permanent exclusion rate for pupils with an EHCP xxx; for those at SEN support xxx.</li> </ul>
<ul style="list-style-type: none"> <li>SEMH – service KPI</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>
<b>Priority 4 “Clear information and involvement”</b>		
<ul style="list-style-type: none"> <li>SEND Charter – drafted in consultation with parents / carers and y people.</li> </ul>	<ul style="list-style-type: none"> <li>0% schools; 0% NHS providers; 0% services committed to SEND Charter.</li> </ul>	<ul style="list-style-type: none"> <li>100% schools; 100% NHS providers; 80% services &amp; voluntary orgs committed to SEND charter.</li> <li>XX local business / leisure providers committed to the Charter.</li> </ul>
<ul style="list-style-type: none"> <li>Personal budgets – position statement from LBTH &amp; NHS.</li> </ul>	<ul style="list-style-type: none"> <li>No joint position statement for parents / carers or professionals.</li> <li>Budgets starting to be identified within EHC plans.</li> </ul>	<ul style="list-style-type: none"> <li>Well understood local position on personal budgets and increasing use of direct payments.</li> <li>All EHC plans include specific budget breakdown.</li> </ul>
<ul style="list-style-type: none"> <li>Parental feedback about communication and SEND information.</li> </ul>	<ul style="list-style-type: none"> <li>No robust profile of parental views across Tower Hamlets.</li> </ul>	<ul style="list-style-type: none"> <li>Annual survey is established and it shows a large majority of parents / carers are confident where to get the information they need about SEND.</li> </ul>
<b>Priority 5: “Moving On”</b>		
<ul style="list-style-type: none"> <li>Under 5s development goals</li> </ul>	<ul style="list-style-type: none"> <li>Xx % children reaching ‘expected level of development’</li> </ul>	<ul style="list-style-type: none"> <li>Xx% children reaching ‘expected level of development’</li> </ul>
<ul style="list-style-type: none"> <li>Work experience</li> </ul>	<ul style="list-style-type: none"> <li>33 supported internships &amp; 4 supported apprenticeships.</li> </ul>	<ul style="list-style-type: none"> <li>&gt;100 supported internships &amp; 20 supported apprenticeships.</li> </ul>
<ul style="list-style-type: none"> <li>Supported housing in Tower Hamlets</li> </ul>	<ul style="list-style-type: none"> <li>6 new supported housing places for young adults with LD at the development stage.</li> </ul>	<ul style="list-style-type: none"> <li>At least 30 new, supported housing places for young adults with LD have opened since 2018.</li> </ul>

<p><b>Cabinet Decision</b></p> <p>20 March 2018</p>	
<p><b>Report of:</b> Denise Radley, Director of Health, Adults and Community</p>	<p><b>Classification:</b> Unrestricted</p>
<p>Sheltered Housing</p>	

<b>Lead Member</b>	Councillor Denise Jones Cabinet Member for Health Adults and Community Services
<b>Originating Officer(s)</b>	Karen Sugars Acting Divisional Director Integrated Commissioning
<b>Wards affected</b>	All wards
<b>Key Decision?</b>	Yes
<b>Community Plan Theme</b>	A Safe and Supportive Community

### Executive Summary

1. This report seeks agreement from the Mayor in Cabinet to agree to an alternative model for the support service delivered to tenants living in sheltered housing schemes in the borough. It reports back on the outcome of consultation with tenants and landlords as requested by the Mayor in Cabinet in July 2016 and explores options to:
  - Depart from the preferred option of funding support in sheltered housing from a Floating Support Model, agreed in principle by Cabinet in July 2016 and, instead, adopt an Intensive Housing Management Service (IHMS) model, and agree delegated officer authority to extend existing contracts for up to six months to allow for the transition to an IHMS model.
  - Reinvest savings created by the change in approach into programmes that combat loneliness and isolation, and improve the wellbeing of elderly tenants living in sheltered housing.
  
2. In moving to a IHMS instead of the Floating Support Model, the council has the opportunity to:
  - Make a saving of approximately £593,478 (see table overleaf) and be in a position to reinvest the savings to tackle isolation and loneliness, and improve the wellbeing of older people living in sheltered housing by making available an agreed amount of money for each scheme depending on size and number of tenants living in the scheme.
  - Continue to work in partnership with sheltered landlords through the transition to IHMS and maintain a similar level of support, or at a level agreed with tenants currently living in the schemes.

<b>2017/18 budget for support provision in sheltered housing is £611,833</b>			
<b>Model</b>	<b>Existing service</b>	<b>Floating Support</b>	<b>Intensive Housing Management Service</b>
<b>Cost to the council</b>	£455,944 (projected spend)	£534,000	£18,355 (equivalent to £0.03 per pound currently spent.)
<b>Savings</b>	£155,889 (projected savings due to support no longer commissioned in four schemes)	£77,833 (against the current budget of £611,833)	£593,478 (based on 97 per cent of housing benefit claims recovered from central government)

3. The July 2016 Cabinet paper set out a number of funding options for the support provision in sheltered housing. Cabinet agreed, in principle, to move to a Floating Support Model which was the recommended option at the time, and authorised the initiation of a tender process for the floating support service pending further consultation with tenants and support providers on the changes.
4. Through the consultation process with tenants, support providers and landlords, as well as changes in the market, it became evident that an alternative model - IHMS would be a viable option to provide support in sheltered housing and create substantial savings for the council.
5. During the consultation, three sheltered housing landlords/providers advised that they would pursue an IHMS or an alternative to provide support to their tenants in their schemes from April 2017, and in response, officers were asked to explore the appetite for IHMS with the remaining ten providers.
6. Landlords/providers stated that a move to an IHMS had been adopted by a number of authorities in London and across the country, and that some authorities no longer fund a support service altogether. Feedback from landlords/providers on the move to an IHMS was positive.

### **Recommendations:**

The Mayor in Cabinet is recommended to:

1. Agree the recommendations within this report, and authorise the Corporate Director Health, Adults and Community to:
  - Adopt an Intensive Housing Management Service (IHMS) model for sheltered housing provision in the borough
  - Issue new contracts to the existing sheltered housing providers for up to six months to allow for the transition to an IHMS model
  - Fund a range of activities in sheltered schemes at a maximum value of £500 per resident per annum in line with the Ageing Well Strategy and the Mayor's commitment to tackle loneliness and isolation and improve the wellbeing of elderly tenants living in sheltered housing
  - Enter into all agreements and make such other decisions as may be required to achieve the recommendations of this report



## **1. REASONS FOR THE DECISIONS**

- 1.1 The report recommends a change in approach to the original Cabinet agreement in principle to pursue a Floating Support Model for the support provision in sheltered housing. As this is change of approach to the original Cabinet decision, legal advice is that the decision to move to an IHMS will need to be approved by the Mayor in Cabinet.
- 1.2 Intensive Housing Management Service (IHMS) is a sustainable alternative to the Floating Support Model as it will provide greater savings for the council as well as maintaining a sustainable support provision for older people in sheltered housing in the borough.
- 1.3 As a number of landlords/providers have already move to an IHMS or similar model, it would be sensible to have the same type of model in all sheltered housing schemes across the borough.

## **2. ALTERNATIVE OPTIONS**

- 2.1 The Floating Support model endorsed by Cabinet (July 2016) remains an option which allows support staff to visit each sheltered scheme for a set number of hours per week.
- 2.2 This is based on the provision of six half days presence per scheme per week. This figure has been chosen to enable a daily presence to be provided which maximises in-scheme presence, inclusive of one day at the weekend. This model allows for a flexible provision as the support hours can be varied at each service according to individual need.
- 2.3 The Floating Support Model will cost the council £564,000 per annum. A competitive procurement exercise will have to be undertaken, and it is likely that a number of landlords/providers may opt out of the tender process (and move to an IHMS) to prevent having a different organisation provide the support in their buildings.

## **3. DETAILS OF REPORT**

- 3.1 Sheltered housing is designed to give older people with little or low levels of support need the independence of having their own flat with the security of having an alarm system and regular checks by a warden or scheme manager.
- 3.2 In Tower Hamlets, all sheltered housing schemes are owned and managed by Registered Social Landlords. Currently the council funds the support in 20 schemes in the form of a scheme based warden, Mon-Fri, 9am-5pm who helps in emergencies and gives practical support. There are ten contracts in place, covering the 20 schemes and all end in March 2018. The budget for the support provision is £611,833 pa.
- 3.3 All support contracts are based on a payment per tenant, which means that no payments are made in respect of void properties in schemes, and it is anticipated that the Council will spend in the region of £455,944 for this financial year as a result of void properties, four schemes (managed by three landlords) moving to an IHMS from April 2017 and one scheme being closed for refurbishment works.

- 3.4 It is anticipated that most providers would want to transfer to an IHMS at the beginning of April 2018, should this not be the case and some providers require a lead in period, Officers have requested delegated authority to enter into new contracts for a 6 month period at a cost of up to £227,968 as demonstrated in the following table:

Provider / Scheme(s)	Number of units	Maximum Projected Spend (2017/18)	Maximum 6 Month Cost
Gateway - Former LBTH schemes	181	£135,336	£67,668
Gateway - Former BGVPHA schemes	148	£110,662	£55,331
Gateway - Mosque Tower	31	£23,179	£11,589
Gateway - Bustaan Raada	16	£11,963	£5,981
Genesis - Colin Winter House	34	£32,072	£16,036
Genesis - Hogarth & Manchester Rd	58	£46,040	£23,020
Industrial Dwellings Society - Stepney Green Court	19	£16,472	£8,236
Sanctuary - Shaftesbury Lodge	32	£17,118	£8,559
PA Housing (ASRA) - Cavell Street	11	£10,220	£5,110
London & Quadrant - Phoenix Court	45	£52,877	£26,438
<b>Total</b>	<b>575</b>	<b>£455,939</b>	<b>£227,968</b>

- 3.5 The figure of £227,968 is the maximum cost payable across all the schemes and the contracts would only be entered into if absolutely necessary to enable a smooth transition to an IHMS service. The cost is finance neutral as until the switch to an IHMS is undertaken it will not be possible to reinvest the savings as recommended in this report.
- 3.6 Previously funded through the 'Supporting People' budget, the funding for support is now part of the mainstream commissioning budget and is used to provide support to those not receiving adult social care services as part of a preventative approach.
- 3.7 As part of the commissioning process a review of the sheltered housing contracts took place, and a number of funding and support options were presented to the Mayor in Cabinet in July 2016.
- 3.8 Under the recommended option, the cost of a Floating Support Model where support staff would visit each scheme for a set number of hours per week – based on six half days presence per scheme per week was calculated at £564,000 pa.
- 3.9 The Mayor agreed in principle to the report's recommendation (to move to a Floating Support Model) but asked that further consultation take place before the recommendations are actioned.
- 3.10 Following the mayor's decision, focus groups with tenants took place in all the sheltered schemes. A total of 243 tenants plus family members and carers took part. A summary of the main points are listed below. A linked report setting out the detailed findings from the consultation as well as further work undertaken by officers in response to changes in the market is attached to this report.
- Morning wellbeing checks which involve a support worker calling or knocking on every tenant's (if they choose) door to check if they are okay (if they choose) –

this is valued for those tenants who have it, and should continue.

- A preference for having permanent staff allocated to schemes so that tenants can build relationships with the support worker
- Clarity was requested around the role and responsibility of the support worker and the landlord's roles and responsibilities (housing management).
- A number of people noted that group activities used to happen more frequently but are now limited. Tenants' groups in several schemes are not as active as they used to be. This was seen as a negative by tenants, which they asked be addressed by any new model.
- Nearly all the Somali and Bangladeshi tenants said that the weekend half day would not be useful to them and asked whether it could be added to the weekday provision. Tenants explained that language support (interpreting / translating) for making telephone appointments with doctors or housing offices and dealing with tenancy matters is a support function that is very valuable and therefore, the allocated half day proposed for the weekend would be better used during the weekdays, 9am-5pm when the majority of services are more likely to be open.
- A small group of tenants queried why the funds to keep the support provision as it is (Mon-Fri, 9am-5pm) was not being made available.

3.11 During the course of consulting with landlords and support providers, it became evident that previous concerns that some of the smaller landlords had regarding an IHMS were not as significant as originally thought (the IHMS model had been an option in the original Cabinet report but ruled out). Providers stated that the move to IHMS had been adopted by a number of authorities in London and across the country, noting that some no longer fund a support service at all, and a number of providers had responded to this by restructuring their organisation to adapt to the changes.

3.12 Three landlords (Mercers, One Housing Group and Centra) who are also the support provider had voluntarily chosen to pursue an IHMS or an alternative option to provide support to their tenants from April 2017.

3.13 Through internal governance process, officers were encouraged to explore the potential comprehensive approach to an IHMS and the financial implications to the authority and residents.

### 3.14 **Providers and Landlords**

3.15 Officers have met in person or had telephone contact with providers who were all supportive of the proposed move to an IHMS.

3.16 Gateway Housing Association (GHA) the largest provider of sheltered housing in the borough are positive of an IHMS and agreed to explore this option as the benefits include:

- the opportunity to maintain and fund the current / similar provision at existing levels within each scheme
- a continuity of staffing within each service
- continuity in providing a service directly to residents without the need to have to bid for the service

- 3.17 Unlike GHA, who are based primarily within the borough of Tower Hamlets, all other providers have experience of applying for and delivering IHMS services within their housing stock in other boroughs, and were positive in their responses to the suggestion to review the model of funding for the provision.
- 3.18 Genesis Housing Association provides support in three sheltered schemes. For their directly managed service at Colin Winter House they are prepared to pursue a move to an IHMS service at the end of the contract (March 2018) as this is something they were already considering.
- 3.19 Genesis also delivers two agency managed services at Hogarth Court and Manchester Road - the borough funding their staff to deliver the support service. Discussions with the landlord of both buildings, Southern Housing Group, have confirmed that they provide a fulltime worker to deliver a housing management function across the two schemes, i.e. 0.5 FTE per scheme per week.
- 3.20 Genesis has confirmed that they would be willing to discuss options to facilitate a move to an IHMS, and have the capacity to facilitate such a move.
- 3.21 ASRA have advised that IHMS is a model that they have explored across their group in other parts of the country, including Leicestershire, Leicester, Nottingham and others. They are supportive of IHMS in Tower Hamlets.
- 3.22 **Intensive Housing Management Service (IHMS) and Housing Benefit**
- 3.23 Under the existing contracts, the support charge is means tested and funded by the Council for all residents entitled to benefits. By moving to an IHMS model, the charge would be included within the housing service charge element of each tenants gross rent. As with the support charge, the IHMS cost can be funded by Housing Benefit where tenants qualify, and will therefore not adversely affect tenants eligible for Housing Benefit. Tenants that currently pay the support charge as they are not eligible for benefits will continue to pay in the form of a housing service charge instead of a support charge.
- 3.24 The potential savings if the IHMS approach is agreed are £0.97 on every pound currently spent. The Housing Benefits (HB) team have confirmed that the authority recovers 97 per cent of housing benefit claims from central government, hence the potential saving. As the IHMS is payable via Housing Service Charge and is eligible for Housing Benefit, the financial implications to the authority are minimal, equating to £0.03 per pound currently spent. This impact can be offset by utilising a proportion of the savings realised from ceasing the support contracts.
- 3.25 There will be a need to review the rents and service charge for each scheme and therefore, giving tenants the required notice period to allow for the change. Given that rent increases traditionally take place in April at the start of the new financial year there will be a need to extend all existing contracts for up to six months to facilitate the transition to an IHMS.
- 3.26 This will allow for full consultation and co-design where landlords/support providers and council officers can discuss the changes with tenants and their families/carers living in the schemes.
- 3.27 Tenants that currently pay the support charge as they are not eligible for benefits will continue to pay in the form of a housing service charge instead of a support charge and may see an increase to cover the support they receive.

- 3.28 All landlords/providers have agreed to continue to work in partnership with the borough following on from the transition to IHMS to ensure continued improvements in service quality.
- 3.29 **Local Housing Allowance (LHA)**
- 3.30 In the previous Cabinet paper, a section outlining the impact of the LHA for sheltered tenants was included as the government had previously proposed to apply the LHA cap to all claims in supported and sheltered housing with a top-up administered by the local authority.
- 3.31 On 25 October 2017, the government announced that LHA rates would not be applied to supported housing, nor would they be applied to general needs social housing. This was confirmed in a further consultation paper published on 31 October 2017.
- 3.32 Sheltered housing (and extra care) will therefore continue to be funded in the welfare system, and a 'Sheltered Rent' is proposed to be introduced from April 2020 - a type of social rent that recognises the role that these homes play in supporting older and vulnerable people and acknowledges the higher costs of these types of housing compared to general needs housing.
- 3.33 This will see gross eligible rent (rent inclusive of eligible service charges) regulated by the social housing regulator. Rates for sheltered housing costs will be set in consultation with the sector. Welfare arrangements for people living in all types of supported housing will apply across Great Britain.
- 3.34 **Savings**
- 3.35 An allocation of £611,833 is available within the current budget to fund the sheltered schemes (2017/18). This figure is calculated on all services operating at full capacity throughout the year and no self-payers being resident. In previous years, the actual expenditure has been around 10 per cent lower than this budgeted amount, this being the result of some tenants being self-payers and because we do not pay the support charge while properties are void. See linked report details of each support contract.
- 3.36 In 2017/18 a projected saving of £155,889 will be achieved due to three providers voluntarily moving to IHMS or an alternative and one scheme being closed for refurbishment .
- 3.37 The table below illustrates the costs and savings of an IHMS and the Floating Support Model compared to current support contracts and their cost in 2017/18.

<b>2017/18 budget for support provision in sheltered housing is £611,833</b>			
<b>Model</b>	<b>Existing service</b>	<b>Floating Support</b>	<b>Intensive Housing Management Service</b>
<b>Cost to the council</b>	£455,944 (projected spend based on full occupancy)	£534,000	£18,355 (equivalent to £0.03 per pound currently spent.
<b>Savings</b>	£155, 889 (projected savings due to support no longer commissioned in four schemes)	£77,833 (against the current budget of £611,833)	£593,478 (based on 97 per cent of housing benefit claims recovered from central government)

- 3.38 It is important to note that when the previous proposals were presented to Cabinet in July 2016 the projected level of spend on the current model was significantly closer to the £611,833 budget, so the relative financial benefits of the floating support model at that time were much more positive than they would now be given the lower level of projected spend in 2017/18 resulting in part from the four schemes that have already moved to an IHMS model. It is possible that a remodelled floating support scheme, excluding the four schemes which have moved to IHMS would cost more than the current expenditure. This is another important factor in the decision to recommend the IHMS model in preference to the previously recommended model.
- 3.39 Gateway Housing Association (GHA) has advised that their situation is unique due to the stock transfer from LBTH and previous mergers and acquisition of specialist schemes. They have stated that they have seven different tenure and tenancy agreements to review as part of the transition.
- 3.40 GHA have requested that transitional grant be made available to fund ineligible services and transition arrangements. They have also suggested that they may incur exceptional staffing costs through the proposed changes as we move away from grant funding which may impact on potential savings.
- 3.41 We have agreed to consider their requests in line with those made by all providers and will review them based on their merits once a decision is made. The borough would not want to fund any ineligible costs as the IHMS more than adequately meets service user support requirements.
- 3.42 **An opportunity to invest in older peoples' health and wellbeing**
- 3.43 The savings realised by moving to an IHMS, presents the Council with an opportunity to invest in activities to help combat social isolation and loneliness. The Council's Ageing Well Strategy (2017-20) highlights the level and impact of social isolation and loneliness, reporting that: "...persons aged over 65 living in Tower Hamlets are predicted to be among the loneliest in both London and England."
- 3.44 The Campaign to End Loneliness states on its website that:  
 "Research shows that loneliness and social isolation are harmful to our health: lacking social connections is a comparable risk factor for early death as smoking 15 cigarettes a day, and is worse for us than well-known risk factors such as obesity and physical inactivity. Loneliness increases the likelihood of mortality by 26%".
- 3.45 It is well documented that improved health and wellbeing for our older population means fewer hospital admissions, less dependency on care and support with less pressure on the council's health and care resources.
- 3.46 The Council's Housing Benefit policy lead has confirmed that the provision of a reasonable level of activities when not on a one-to-one basis will also be acceptable. This means that the support model provided via IHMS can include a level of group activities within the schemes in addition to the on-site presence during working hours.
- 3.47 A proportion of the funding that a move to IHMS would save could be used to fund a range of activities in each of the sheltered schemes to combat isolation and improve the general wellbeing of tenants. £77,000 of the potential saving is already taken account of in an existing MTFs savings proposal. £18k is also required to offset the cost to the council of the IMHS (the £0.03 per pound of current expenditure). This leaves an amount of £516k that could be used to fund this range of activities.

- 3.48 This could include English as a Second Language (ESOL) classes, exercise classes, day trips or any other activities that tenants may want that improves their social connectedness, fosters peer support and improves their health and wellbeing.
- 3.49 These funds, (inclusive of those that have already opted out with effect from this financial year) could be made available to tenants living in all sheltered schemes and would still leave a surplus. See table below for possible funding options.
- 3.50 The table below illustrates how the savings, if an IHMS approach is adopted, can be used to fund activities that tackle loneliness and isolation in older people.

<b>Funds (savings) available £516k</b>	<b>Annual activities fund to tackle loneliness and isolation across 25 schemes (711 units)</b>	<b>Remaining funds</b>
	£250 per tenant = £177,750	£415,728
	£500 per tenant = £355,500	£237,978

- 3.51 The recommended option £500 per tenant will equate to a payment of between £5,500 and £21,500 per sheltered scheme, which will offer residents a broad range of choice. From our experience of small grants we know that older person groups value the opportunity to undertake social activities e.g. day trips and purchase small equipment and materials to go toward social activities. This figure will enable the schemes to agree a programme of activities throughout the year that reflect the choice and interests of all residents, as opposed to an activity on a one off basis. Each resident

would be able to choose an activity given the funding is per head or it could be agreed on a group basis.

#### **4. COMMENTS OF THE CHIEF FINANCE OFFICER**

- 4.1 The Chief Finance Officer notes the recommendations of this report, namely to adopt an Intensive Housing Management Service (IHMS), agreeing a six month extension to existing contracts to allow successful transition, and to reinvest savings into activities to combat loneliness and isolation in support of the Ageing Well Strategy.
- 4.2 The budget for the existing sheltered housing schemes is £612k and the cost of the new services will be contained within this existing level of funding. There are no current savings assumptions against these services in the medium term financial strategy.
- 4.3 The IHMS service would be included within the housing service charge element of each tenant's rent, and therefore can be funded by housing benefit where tenants qualify. Currently the housing related costs are paid by Adult Social Services as part of the placement fee, so a saving would be created by the housing related costs being funded by housing benefit instead of the Council. Tenants that currently pay the support charge as they are not eligible for benefits will continue to pay in the form of a housing service charge instead of a support charge and may see a small increase to cover the support they receive. This will be agreed between the tenant and landlord, once landlords/providers are informed of the council's intentions.
- 4.4 The Council recovers 97% of housing benefit claims from central government, and therefore savings could be up to £593k of the current budget depending on activity levels. It is these savings which, if agreed, could be reinvested into activities to

combat loneliness and isolation. Depending on the option adopted these savings are estimated at between £238k and £416k.

## **5. LEGAL COMMENTS**

- 5.1 The Procurement law impact of a change to an intensive housing management support model is minimal on the Council. In effect the Council no longer purchases the support services and therefore there is no activity which is subject to either the legal duty to procure or the legal duty to obtain Best Value.
- 5.2 However, in order to give providers the time to change and to ensure there is no break in the service provision so that service users' needs continue to be met the Council may be required to enter into new short term contracts with some providers in the interim.
- 5.3 These short term contracts ought to be subject to competition although this is not possible in the circumstances. It is clear that a break in the service allowing time for a competitive tender would pose a significant threat to the health and wellbeing of the Service Users. It is also clear that the Council is undertaking this action as a short term measure and not purposefully avoiding competition.
- 5.4 The change in the way the services are acquired is likely to involve persons who have a protected characteristic. It is unlikely that a desktop equalities assessment in itself would be sufficient for the Council to properly understand the impact on service users to the levels required by the Equality Act 2010. However, the Council has also enhanced this understanding by undertaking a consultation exercise and therefore it is likely the relevant legislative threshold would be met. Also, the exercises have been undertaken whilst the decision making process was at a formative stage.
- 5.5 As per the Care Act 2014 the Council will continue to have a duty to meet the needs of service users where following a needs assessment they meet the eligibility criteria. For some service users having accommodation alone may mean that they no longer have eligible needs. However, other service users may continue to require care and support in other areas irrespective of having accommodation. As a general rule, the duty for Adult Social Care to provide accommodation will only arise if the support and services required to meet eligible needs are not otherwise available unless residential accommodation is provided; a service user must therefore have accommodated related care needs.
- 5.6 The Council should ensure to complete review needs assessments of service users where there is a change in circumstances which is likely to impact on their specific needs.

## **6. ONE TOWER HAMLETS CONSIDERATIONS**

The provision of sheltered housing is consistent with a key aim of the council, which is to promote and to maximise the independence of every individual and particularly those who may need additional support. This is key outcome to be achieved through the provision of supported housing.

As part of the further review of options described in this report an Equalities Analysis was completed, which demonstrated no adverse impact on individuals who share protected characteristics as defined by the Equality Act 2010.

## **7. BEST VALUE (BV) IMPLICATIONS**



- 7.1 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.

This paper makes recommendations as to how the council may achieve Best Value for older residents by utilising alternative funding streams to deliver an IHMS and directing funds to tackle loneliness and isolation, and therefore, improving the health and wellbeing of older people living in the sheltered housing.

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

- 8.1 All funded activities undertaken as part of this proposal will be subject to the council's requirements to contribute to a sustainable environment and improve the wellbeing of tenants.

## **9. RISK MANAGEMENT IMPLICATIONS**

- 9.1 If the proposed investment in services which promote social inclusion for sheltered housing tenants is approved by the Mayor in Cabinet suitable funding arrangements, which protect the interests of the Council, will be put in place. If it is subsequently determined that these payments should be made pursuant to the Council's powers to make grants they will be subject to the risk management arrangements already in place in respect of grant funding.

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

- 10.1 Sheltered housing is designed to meet the specific support needs of specific group of residents. It does not, therefore, contribute to the reduction of crime and disorder other than that by making these services available, the Council is contributing to ensuring that individuals who may otherwise be more vulnerable to being victims of crime are supported to live safer and more independent lives in the community

## **11. SAFEGUARDING IMPLICATIONS**

- 11.1 The services will promote the continued safety and wellbeing of older people. The Care Act requires that each local authority must cooperate with each of its relevant partners (as set out in Section 6 of the Care Act) in order to protect the adult. In their turn each relevant partner must also co-operate with the local authority. While safeguarding adults is a lead duty of the local authority, the responsibility for identifying, investigating and responding to allegations of abuse lies with operational staff across all organisations.

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### **Linked Reports, Appendices and Background Documents**

#### **Linked Report**

- Sheltered Housing Options Paper, Cabinet Report, July 2016

#### **Appendices**

- Sheltered Housing Options Paper Update, February 2018

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

- None

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## Sheltered Housing Options Paper Update

“Research shows that loneliness and social isolation are harmful to our health: lacking social connections is a comparable risk factor for early death as smoking 15 cigarettes a day, and is worse for us than well-known risk factors such as obesity and physical inactivity. Loneliness increases the likelihood of mortality by 26%”.

Campaign to End Loneliness  
[www.campaigntoendloneliness.org](http://www.campaigntoendloneliness.org)

## **1. Purpose of Report**

- 1.1 The Mayor in Cabinet has previously agreed in principle a Floating Support Model to provide the support provision in the borough's sheltered housing schemes - this was subject to further consultation with tenants, landlords and providers.
- 1.2 This paper provides an update on the consultation and changes in the market. It recommends a change in approach from the original proposal (Floating Support Model), to an Intensive Housing Management Service (IHMS) approach.
- 1.3 The paper explains the benefits to the Council and to tenants living in sheltered housing of moving to an IHMS approach instead of a Floating Support Model, which includes:
  - Making savings of approximately £593,478 per year
  - An opportunity to reinvest the savings to fund activities that tackle isolation and loneliness in sheltered accommodation in line with the Council's Ageing Well Strategy (2017-20).
  - Maintaining a similar level and type of support to that currently provided in sheltered schemes.
  - Working in partnership with Registered Social Landlords and support providers to improve the wellbeing of older people living in their schemes.

## **2. Background**

- 2.1 Sheltered housing is designed to give older people with little or low levels of support need the independence of having their own flat with the security of having an alarm system and regular checks by a warden, scheme manager or support service.
- 2.2 In Tower Hamlets, all sheltered housing schemes are owned and managed by Registered Social Landlords. As of April 2017, the Council funds the support in 20 schemes in the form of a scheme based warden, Monday to Friday, 9am-5pm who help in emergencies and gives practical support. There are ten contracts in place, covering the 20 schemes, which all end in March 2018. The budget for the support provision is £611,833 pa.
- 2.3 All support contracts are based on a payment per tenant, which means that no payments are made in respect of void properties in schemes, and it is anticipated that the Council will spend in the region of £455,944 for this financial year as a result of void properties, four schemes (managed by three landlords) moving to an IHMS from April 2017 and one scheme being closed for refurbishment works. The three landlords who moved to an IHMS model in April 2017 made these decisions primarily to ensure that their housing management arrangements in Tower Hamlets were aligned with their schemes in other boroughs. This shift by some landlords back to funding the support arrangements in sheltered housing schemes via housing management charges has been one factor that has informed the approach now being proposed to the Mayor in Cabinet.
- 2.4 As part of the commissioning process a review of all sheltered housing contracts took place in 2016 and a Cabinet paper (July 2016) set out a number of options for funding and delivering the support provision in sheltered housing.

- 2.5 Under the recommended option, a Floating Support Model where support staff visit each scheme for a set number of hours per week – based on six half days presence per scheme per week - was calculated at £564,000 pa.
- 2.6 Cabinet agreed, in principle, to move to a Floating Support Model and authorised the initiation of a tender process for the floating support service pending further consultation with tenants and support providers on the changes.
- 2.7 Through the consultation process with tenants, support providers and landlords, as well as changes in the market, it became evident that an alternative model - IHMS would be a viable option to provide support in sheltered housing and create substantial savings for the council.
- 2.8 As noted (2.3), during the consultation, three sheltered housing landlords advised that they would pursue an IHMS or an alternative to provide support to their tenants in their schemes from April 2017. This reflected a wider shift across the country that had not been evident at the time the original recommendations were made to Cabinet. It made sense, therefore to pause the work on the floating support proposals and to investigate with the remaining six landlords whether the IHMS model was a viable option across the entirety of the sheltered provision in the borough.
- 2.9 Those remaining landlords confirmed that a move to an IHMS model had been adopted by a number of authorities in London and across the country, and that some authorities no longer fund a support service altogether. Feedback from landlords/providers on the move to an IHMS was positive with all confirming that they saw this as a viable and sustainable option. In preparing this subsequent paper we have asked the landlords to reconfirm that view, and all six have done so.

### **3. Tenant consultation**

- 3.1 Focus groups were held at each of the sheltered schemes in the borough. Tenants were written to inviting them to attend a focus group with Council officers to discuss the service they were receiving and the proposed changes.
- 3.2 Where requested, one-to-one meetings took place with tenants and their family members or carers to explain in more detail about the Council's position and understand their views and concerns.
- 3.3 A total of 243 tenants plus family members and carers attended the sessions. A summary of the main points are listed below, See Appendix 1 for the detailed findings from the groups.
- Morning wellbeing checks which involve a support worker calling or knocking on every tenant's (if they choose) door to check if they are okay - this is valued for those tenants who have it and should continue.
  - A preference for having permanent staff allocated to schemes so that tenants can build relationships with the support worker was expressed throughout the consultation.
  - Clarity was requested around the role and responsibility of the support worker and the landlord's roles and responsibilities (housing management).

- A number of people noted that group activities used to happen more frequently but are now limited. Tenants' groups in several schemes are not as active as they used to be. This was seen as a negative by tenants, which they asked be addressed by any new model.
- Nearly all the Somali and Bangladeshi tenants said that the weekend half day would not be useful to them and asked whether it could be added to the weekday, as that is when it is needed most. Tenants explained that language support (interpreting/translating) for making telephone appointments with doctors or housing offices and dealing with tenancy matters is a support function that is very valuable and therefore the allocated half day proposed for the weekend would be better used during the weekdays, between 9am-5pm when the majority of services are more likely to be open.
- A small group of tenants queried why the resources to keep the support provision as it is, was not being made available.

3.4 In summary, almost all tenants understood the Council's position and although they raised a number of concerns, viewed the proposal as an opportunity to improve the support provision in their schemes, especially around having the right level of staffing at suitable times in each scheme.

3.5 Mr RC, the tenant representative at one of the sheltered housing schemes in the borough kindly provided a summary of the residents' concerns at the focus group held in his scheme (see Appendix 2), many of which were raised by tenants in other schemes.

#### **4. Landlord and provider consultation**

4.1 During the course of consulting with landlords and support providers, it became evident that previous concerns that some of the smaller landlords may have had regarding an IHMS were not as significant as originally thought (the IHMS model had been an option in the original Cabinet report but ruled out). Providers stated that the move to IHMS had been adopted by a number of authorities in London and across the country, noting that some no longer fund a support service at all, and a number of providers had responded to this by restructuring their organisation to adapt to the changes.

4.2 Three landlords (Mercers, One Housing Group and Centra) who are also the support provider had voluntarily chosen to pursue an IHMS or an alternative option to provide support to their tenants from April 2017.

4.3 Mercers have opted to fund their service, Lady Micos, through their charitable arm. One Housing Group, the landlord and support provider for John Sinclair Court and Centra who own and provide the support in Pebble Centre and Gawthorne Court advised that they would seek to fund the support provision through an intensive housing management charge to tenants as part of their housing service charge within their weekly rent, as they do not wish their properties to be open to competitive tender.

They have stated that they will not allow an alternative provider to deliver support services within their buildings. Centra advised that they wish to standardise provision across all their older persons services.

4.4 Gateway Housing Association (GHA) the largest provider of sheltered housing in the borough engaged positively in the discussions about moving to an IHMS model and agreed to explore this option as they identified benefits including:

- the opportunity to maintain and fund the current / similar provision at existing levels within each scheme
- a continuity of staffing within each service,
- continuity in providing a service directly to residents without the need to have to bid for the service.

4.5 In preparing this paper GHA have been asked to reconfirm that they are happy to pursue this option and have provided that confirmation.

4.6 Unlike GHA, who are based primarily within the borough of Tower Hamlets, all other providers have experience of applying for and delivering IHMS services within their housing stock in other boroughs, and were similarly positive in their responses to the suggestion to review the model of funding for the support provision.

4.7 Genesis Housing Association provides support in three sheltered schemes. For their directly managed service at Colin Winter House they are prepared to pursue a move to an IHMS service at the end of the contract (March 2018) as this is something they were already considering.

4.8 Genesis also delivers two agency managed services at Hogarth Court and Manchester Road - the borough fund their staff to deliver the support service. Discussions with the landlord of both buildings, Southern Housing Group, have confirmed that they provide a fulltime worker to deliver a housing management function across the two schemes, i.e. 0.5 full time equivalent staff per scheme per week.

4.9 Genesis has confirmed that they would be willing to discuss options to facilitate a move to an IHMS, and have the capacity to facilitate such a move.

4.10 ASRA have advised that IHMS is a model that they have explored across their group in other parts of the country, including Leicestershire, Leicester, Nottingham and others. They are supportive of IHMS in Tower Hamlets.

## **5. Intensive Housing Management (IHMS) and Housing Benefit**

5.1 An Intensive Housing Management Service (IHMS) is a sustainable alternative to the Floating Support Model and will provide greater savings for the Council as well as maintaining a sustainable support provision for older people in sheltered housing in the borough.

5.2 As a number of landlords/providers have already moved to an IHMS or similar model, it would be prudent to have the same type of model in all sheltered housing schemes across the borough.

5.3 IHMS is a housing management landlord service provided at a higher level than would usually be necessary to those tenants that need increased assistance to

maintain their tenancies. This includes regular landlord tasks as well as support tasks such as those listed in 5.7.

5.4 Under the existing contracts, the support charge is means tested and funded by the Council for all residents entitled to benefits. By moving to an IHMS model, the charge would be included within the housing service charge element of each tenants gross rent. As with the support charge, the IHMS cost can be funded by Housing Benefit where tenants qualify, and will therefore not adversely affect tenants eligible for Housing Benefit. Tenants that currently pay the support charge as they are not eligible for benefits will continue to pay in the form of a housing service charge instead of a support charge.

5.5 The potential savings if the IHMS approach is agreed are £0.97 on every pound currently spent. The Housing Benefits (HB) team have confirmed that the authority recovers 97 per cent of housing benefit claims from central government, hence the potential saving. As the IHMS is payable via Housing Service Charge and is eligible for Housing Benefit, the financial implications to the authority are minimal, equating to £0.03 per pound currently spent. This impact can be offset by utilising a proportion of the savings realised from ending the support contracts.

5.6 Intensive Housing Management can cover issues such as:

- Advice & assistance to understand and comply with the tenancy conditions
- Annual individual risk assessments to ensure any risks are identified and referrals to support agencies made if necessary
- Regular welfare checks to ensure your safety and well-being (this will be at a frequency agreed with the individual tenants)
- Assistance in sustaining all aspects of the tenancy
- Signposting and accessing support from other services e.g. budgeting support; assistance with debt management from voluntary agencies; accessing support to assist with alcohol/substance related matters
- Provision of Pendants for more frail residents
- Testing and maintenance of the Pull Cord Tele-care system
- Increased inspections and maintenance of the building, including health and safety issues, to address increased wear and tear to the property and facilities
- Assistance in claiming/managing housing benefit application
- Advice and assistance on using equipment within the property
- Advice and assistance regarding security of the tenants' home
- Monitoring and signposting for social services care services
- Arranging repairs to communal areas, including fixtures and fittings
- Information and advice to tenants relating to use of communal areas, CCTV

*NB: This is not an exhaustive list.*

5.7 There will be a need to review the rents and service charge for each scheme and therefore, giving tenants the required notice period to allow for the change. Given that rent increases traditionally take place in April at the start of the new financial year there will be a need to extend all existing contracts for up to six months to facilitate the transition to an IHMS.

5.8 This will allow for full consultation and co-design where landlords/support providers and council officers can discuss the changes with tenants and their families/carers living in the schemes.



- 5.9 Tenants that currently pay the support charge as they are not eligible for benefits will continue to pay in the form of a housing service charge instead of a support charge and may see an increase to cover the support they receive. This will be agreed between the tenant and landlord, once landlords/providers are informed of the council's intentions. As of January 2018, there are 27 self-funding tenants living in sheltered housing.
- 5.10 Landlords/providers have agreed to continue to work in close partnership with the borough following on from the transition to ensure continued improvements in service quality. As rent increases traditionally take place in April, all consultation with tenants and landlords is planned to take place as soon as possible once a decision is made.

## **6. Local Housing Allowance (LHA)**

- 6.1 In the previous Cabinet paper, a section outlining the impact of the LHA for sheltered tenants was included as the government had previously proposed to apply the LHA cap to all claims in supported and sheltered housing with a top-up administered by the local authority.
- 6.2 On 25 October 2017, the government announced that LHA rates would not be applied to supported housing, nor would they be applied to general needs social housing. This was confirmed in a further consultation paper published on 31 October 2017.
- 6.3 Sheltered housing (and extra care) will therefore continue to be funded in the welfare system, and a 'Sheltered Rent' is proposed to be introduced from April 2020 - a type of social rent that recognises the role that these homes play in supporting older and vulnerable people and acknowledges the higher costs of these types of housing compared to general needs housing.
- 6.4 This will see gross eligible rent (rent inclusive of eligible service charges) regulated by the social housing regulator. Rates for sheltered housing costs will be set in consultation with the sector. Welfare arrangements for people living in all types of supported housing will apply across Great Britain.

## **7. Savings**

- 7.1 An allocation of £611,833 is available within the current budget to fund the sheltered schemes (2017/18). This figure is calculated on all services operating at full capacity throughout the year and no self-payers being resident. In previous years, the actual expenditure has been around 10 per cent lower than this budgeted amount, this being the result of some tenants being self-payers and because we do not pay the support charge while properties are void. See Appendix 4 for details of each support contract.
- 7.2 In 2017/18 a projected saving of £155,889 will be achieved due to three providers voluntarily moving to IHMS or an alternative, and one scheme being closed for refurbishment .

7.3 The table below illustrates the costs and savings of an IHMS and the Floating Support Model compared to current support contracts and their cost in 2017/18.

<b>2017/18 budget for support provision in sheltered housing is £611,833</b>			
<b>Model</b>	<b>Existing service</b>	<b>Floating Support</b>	<b>Intensive Housing Management Service</b>
<b>Cost to the council</b>	£455,944 (projected spend based on full occupancy)	£534,000	£18,355 (equivalent to £0.03 per pound currently spent).
<b>Savings</b>	£155,889 (projected savings due to support no longer commissioned in four schemes)	£77,833 (against the current budget of £611,833)	£593,478 (based on 97 per cent of housing benefit claims recovered from central government)

7.4 It is important to note that when the previous proposals were presented to Cabinet in July 2016 the projected level of spend on the current model was significantly closer to the £611,833 budget, so the relative financial benefits of the floating support model at that time were much more positive than they would now be given the lower level of projected spend in 2017/18 resulting in part from the four schemes that have already moved to an IHMS model. It is possible that a remodelled floating support scheme, excluding the four schemes which have moved to IHMS would cost more than the current expenditure. This is another important factor in the decision to recommend the IHMS model in preference to the previously recommended option.

7.5 Gateway Housing Association (GHA) has advised that their situation is unique due to the stock transfer from LBTH and previous mergers and acquisition of specialist schemes. They have stated that they have seven different tenure and tenancy agreements to review as part of the transition.

7.6 GHA have requested that transitional grant be made available to fund ineligible services and transition arrangements. They have also suggested that they may incur exceptional staffing costs through the proposed changes as we move away from grant funding which may impact on potential savings.

7.7 We have agreed to consider their requests in line with those made by all providers and will review them based on their merits once a decision is made. The borough would not want to fund any ineligible costs as the IHMS more than adequately meets service user support requirements.

## **8. An opportunity to invest in older peoples' health and wellbeing**

8.1 The savings realised by moving to an IHMS, presents the Council with an opportunity to invest in activities to help combat social isolation and loneliness. The Council's Ageing Well Strategy (2017-20) highlights the level and impact of social isolation and loneliness, reporting that: "...persons aged over 65 living in Tower Hamlets are predicted to be among the loneliest in both London and England."

8.2 The Campaign to End Loneliness states on its website that:

“Research shows that loneliness and social isolation are harmful to our health: lacking social connections is a comparable risk factor for early death as smoking 15 cigarettes a day, and is worse for us than well-known risk factors such as obesity and physical inactivity. Loneliness increases the likelihood of mortality by 26%”.

- 8.3 It is well documented that improved health and wellbeing for our older population means fewer hospital admissions, less dependency on care and support with less pressure on the council’s health and care resources.
- 8.4 The Council’s Housing Benefit policy lead has confirmed that the provision of a reasonable level of activities when not on a one-to-one basis will also be acceptable. This means that the support model provided via IHMS can include a level of group activities within the schemes in addition to the on-site presence during working hours.
- 8.5 A proportion of the funding that a move to IHMS would save could be used to fund a range of activities in each of the sheltered schemes to combat isolation and improve the general wellbeing of tenants. £77,000 of the potential saving is already taken account of in an existing MTFs savings proposal. £18k is also required to offset the cost to the council of the IMHS (the £0.03 per pound of current expenditure). This leaves an amount of £516k that could be used to fund this range of activities.
- 8.6 This could include English as a Second Language (ESOL) classes, exercise classes, day trips or any other activities that tenants may want that improves their social connectedness, fosters peer support and improves their health and wellbeing.
- 8.7 These funds, (inclusive of those that have already opted out with effect from this financial year) could be made available to tenants living in all sheltered schemes and would still leave a surplus. See table below for possible funding options.
- 8.8 The table below illustrates how the savings, if an IHMS approach is adopted, can be used to fund activities that tackle loneliness and isolation in older people.

<b>Funds (savings) available £516k</b>	<b>Annual activities fund to tackle loneliness and isolation across 25 schemes (711 units)</b>	<b>Remaining funds</b>
	£250 per tenant = £177,750	£415,728
	£500 per tenant = £355,500	£237,978

- 8.9 The recommended option £500 per tenant will equate to a payment of between £5,500 and £21,500 per sheltered scheme, which will offer residents a broad range of choice. From our experience of small grants we know that older person groups value the opportunity to undertake social activities e.g. day trips and purchase small equipment and materials to go toward social activities. This figure will enable the schemes to agree a programme of activities throughout the year that reflect the choice and interests of all residents, as opposed to an activity on a one off basis. Each resident would be able to choose an activity given the funding is per head or it could be agreed on a group basis.

## 9. Legal considerations

- 9.1 As the recommendation to move to an IHMS is a change of approach to the original Cabinet endorsement, legal advice is that this will need to be approved by the Mayor in Cabinet.

## **10. Risk**

- 10.1 There are a number of risks to this approach but officers believe that these risks can be mitigated and managed as described below. It is also worth reiterating that other Councils have already taken a similar approach where the personal support element is withdrawn, the IHMS ensures security of the scheme and safeguards tenants by providing on-site presence during working hours. In the 2016 tenants' satisfaction survey, respondents stated the top three reasons for moving into sheltered accommodation were: support to remain independent (23%), security (20%), and to have someone on-site during the day (15%), all of which an IHMS will provide. In addition, the service can be dramatically enhanced by reinvesting some funding to deliver a range of activities at each scheme as proposed in this report.
- 10.2 There is very little detail of how the government's Local Housing Allowance top-up fund will be administered by local authorities from 2019 and therefore it is difficult to plan with certainty beyond that date until there is more clarity about how the fund will be administered. Officers believe, however, that any risk beyond 2019 is low.
- 10.3 The process would need to be managed and overseen to ensure that landlords do not charge an unreasonable IHMS rate. However, we would expect most landlords/providers to increase costs as they have not had uplift for a number of years. If Sheltered Rents are brought in nationally, as currently proposed, these will be regulated in any case.
- 10.4 There are no guarantees that support would continue at current levels, but it would be disingenuous of the registered social landlords to reduce support having already stated that they could maintain a similar level of support. If changes to the level of support are considered, registered social landlords would have to consult with their tenants before any decision is taken.
- 10.5 A potential risk is that with an IHMS, the authority would no longer need to commission the support in sheltered housing, therefore no contractual relationship between the Council and landlord/provider would exist. However the Authority does benefit from a partnership with all registered social landlords in the borough, and monitors them on a quarterly basis on a number of performance indicators.
- 10.6 Landlords that have already moved to an IHMS from April 2107 have agreed to work in partnership with the Council to provide the best possible service to their tenants and have agreed to share information and meet with council officers biannually.

## **11. Recommendations**

- 11.1 To agree the recommendations within this report, and authorise the Corporate Director Health, Adults and Community to:
- Adopt an Intensive Housing Management Service (IHMS) model for sheltered housing provision in the borough,
  - Issue new contracts to the existing sheltered housing providers for up to six months to allow for the transition to an IHMS model.

- Fund a range of activities in sheltered schemes at a maximum value of £500 per resident in line with Ageing Well and the Mayor's commitment to tackle loneliness and isolation and improve the wellbeing of elderly tenants living in sheltered housing,
  - Enter into all agreements and make such other as may be required to achieve the recommendations of this report
- 
- Appendix 1: Focus group findings on proposed floating support model, January 2017
  - Appendix 2: Transcript of Letter from Mr R C, January 2017
  - Appendix 3: Sheltered Housing contract values, 2017/18

<b>Appendix 1: Focus group findings on proposed floating support model</b>			
<b>Scheme</b>	<b>Landlord</b>	<b>Support provider</b>	<b>Focus group summary</b>
Lawrence Close	Gateway Housing Association (GHA)	Gateway Housing Association (GHA)	<b>Seven tenants attended.</b> There was limited discussion and residents did not express preference for either model of service provision.
Ruth Court	Gateway Housing Association (GHA)	Gateway Housing Association (GHA)	<b>Nine people attended</b> One tenant and two family members expressed a strong preference to maintain the existing model of provision. They queried why the council would not provide additional funding to maintain the current service and raised concerns around safety and security.
Edith Ramsey House	Gateway Housing Association (GHA)	Gateway Housing Association (GHA)	<b>13 people attended</b> Tenants discussed the detail of the proposals and requested that the morning wellbeing call be maintained.
Rochester Court	Gateway Housing Association (GHA)	Gateway Housing Association (GHA)	<b>14 people attended.</b> Tenants were understanding of the proposals and supported them.
Ted Roberts House	Gateway Housing Association (GHA)	Gateway Housing Association (GHA)	<b>15 people attended</b> Whilst generally supportive of the proposals, the tenants emphasised the importance of having face-to-face contact with support staff and the importance of a staff presence.
Hugh Platt House	Gateway Housing Association (GHA)	Gateway Housing Association (GHA)	<b>Eight people attended</b> Tenants advised that as long as staff were at the scheme at agreed times it would be fine. They also suggested that they would prefer a staff presence during the week and not at weekends.
Bustan Radaa	Gateway Housing Association (GHA)	Gateway Housing Association (GHA)	<b>10 people attended</b> Officers attended the scheme with a Somali interpreter.  Tenants understood the proposed model and commented that at this scheme, where English is not the first language, the warden spends a lot of her time translating and interpreting for them. They also preferred staff presence during the week as opposed to weekends. .

Mosque Tower	Gateway Housing Association (GHA)	Gateway Housing Association (GHA)	<p><b>10 people attended</b></p> <p>Tenants were not supportive of the model as their sheltered warden spends a lot of his time translating and interpreting for them, which they would not be possible with floating support provision. They also preferred staff presence during the week as opposed to weekends.</p> <p>The chair of the tenants' involvement group for the scheme had prepared a list of comments to the proposed model – this is attached as appendix 2.</p>
Mandela House	Gateway Housing Association (GHA)	Gateway Housing Association (GHA)	<p><b>15 people attended</b></p> <p>Tenants advised that good communication and clarity around support workers times and roles would be important.</p> <p>They also requested that that the support worker should have enough time to coordinate activities for tenants as this was very important for them</p>
William Cubitt Lodge	Gateway Housing Association (GHA)	Gateway Housing Association (GHA)	<p><b>15 people attended</b></p> <p>Tenants were supportive of the proposals and were keen to ensure that the existing scheme manager remained.</p> <p>They queried why the additional funding was not available to maintain the existing service model.</p>
John Tucker House	Gateway Housing Association (GHA)	Gateway Housing Association (GHA)	<p><b>22 people attended</b></p> <p>Tenants understood the proposals and were interested in how the service would be procured. They queried how the service would be covered when staff are on annual leave and requested that they have a named worker allocated to their service.</p>
Vic Johnson	Gateway Housing Association (GHA)	Gateway Housing Association (GHA)	<p><b>Nine people attended</b></p> <p>Tenants understood the proposed model and queried why the council would not fund the additional monies to maintain the existing provision. They were concerned that the support worker may not have sufficient time to provide a face-to-face service and co-ordinate activities.</p>
Regency Court	Gateway Housing Association (GHA)	Gateway Housing Association (GHA)	<p><b>9 tenants attended</b></p> <p>Tenants understood the reasoning for the proposal to move to a floating model and were interested in how the new support provider would work with their landlord and current provider if they were not the winning bidder.</p> <p>They stressed that good communication was important and trust between residents and the</p>

			support worker is essential. They advised that scheme based activities would be welcome and wanted clarity around the support workers role and what would they do when at the scheme.
Appian Court	Gateway Housing Association (GHA)	Gateway Housing Association (GHA)	<b>One resident attended.</b> Only five tenants remain in the scheme and the focus group was attended by one resident, who did not express a preference for either model.
Cavell Street	ASRA	ASRA	<b>Eight tenants attended.</b> Tenants understood the proposals and commented that whatever times, the support worker is set to be at their scheme, they should be available for tenants.  The six half days presence would be an increase in the current support hours provided.
Phoenix Court	East Thames	East Thames	<b>14 tenants attended (Somali)</b> Tenants wanted to keep the same model, as the level of support they required was high due to their lack of English, which means they need to see a support worker more often.  <b>4 tenants attended (non-Somali)</b> Tenants stated that the support worker should have a good understanding of support planning. They understood the proposals and commented that more joined-up activities across their neighbourhood would be good.
Hogarth Court	Southern Housing Group	Genesis	<b>11 tenants attended</b> Tenants understood the proposed model and the reasons behind the changes. They questioned why the additional funding to maintain existing levels of service was not available.  They preferred to have a support worker available in the morning..
Manchester Road	Southern Housing Group	Genesis	<b>12 tenants attended</b> Tenants understood the proposals and how a floating support model would work; they were also interested in the procurement process.  They stated that good communication and clarity around support workers times and roles was important to them.



Colin Winter House	Genesis	Genesis	<p><b>18 tenants attended</b>  Tenants understood the proposal and stated that six half days was a good way of managing the support provision. Tenants expressed that they value the morning wellbeing check and the existing staff who provide the support.</p> <p>They were concerned about their safety and security given the reduced staffing presence.</p>
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## Appendix 2: Transcript of Letter from Mr R C

Points from Mr R C

1. Part-time scheme manager –  
Not suitable for sheltered BME scheme like Mosque Tower
2. Here in Mosque Tower have 5 languages so takes longer to support the residents. Moreover 80% residents cannot speak, read and write English at all. They need assistance in all respects, so they need more time of scheme manager.
3. No need for a Saturday service but full time service in week days
4. Support plan should be once a year not every 6 months. It is unnecessary paper work and time wastage.
5. Less cover of other schemes. So more time for activities with residents.
6. Scheme manager covering too many schemes, therefore quality of work is compromised.
7. Council will continue BME/ languages in specific schemes it strengthens the local BME communities
8. Council should provide more funding for sheltered housing.
9. Council should build more sheltered homes.


Thanks

Mr R C

### Appendix 3: Sheltered Housing Contract Values, 2017/18

Allocated budget for 2017/18: £611,833				
Provider	Scheme	Number of units	Unit cost per week	Projected Spend (2017/18)
1. Gateway	Hugh Platt House	20	£14.33	£14,954
	John Tucker House	36		£26,918
	Lawrence Close	31		£ 23,179
	Mandela House	28		£20,936
	Rochester Court	34		£ 25,422
	Vic Johnson House	32		£ 23,927
2. Gateway	Regency Court	30	£14.33	£22,432
	Ruth Court	24		£17,945
	Ted Roberts House	30		£22,432
	Edith Ramsay House	43		£32,151
	William Cubitt Lodge	21		£ 15,702
3. Gateway	Mosque Tower	31	£14.33	£23,179
4. Gateway	Bustaan Raada	16	£14.33	£11,963
5. Genesis	Colin Winter House	34	£18.08	£32,072
6. Genesis	Hogarth & Manchester Rd	58 (31&27)	£15.22	£ 46,040
7. Industrial Dwellings Society	Stepney Green Court	19	£16.63	£16,472
8. Sanctuary	Shaftesbury Lodge	32	£10.26	£17,118
9. PA Housing (formerly ASRA)	Cavell Street	11	£17.82	£10,220
10. L&Q (formerly East Thames Housing)	Phoenix Court	45	22.54	£52,877
<b>Projected spend:</b>				<b>£455,939</b>

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<p><b>Cabinet</b></p> <p>20 March 2018</p>	
<p><b>Report of:</b> Denise Radley, Corporate Director of Health, Adults and Community</p>	<p><b>Classification:</b> Unrestricted</p>
<p><b>Tower Hamlets Adult Social Care Local Account</b></p>	

<b>Lead Member</b>	<b>Councillor Denise Jones, Cabinet Member for Health and Adult Services</b>
<b>Originating Officer(s)</b>	Jack Kerr, Adult Social Care Improvement Manager
<b>Wards affected</b>	All wards
<b>Key Decision?</b>	No
<b>Community Plan Theme</b>	<b>A Healthy and Supportive Community</b>

**Executive Summary**

- 1.1 The “How are we doing?” magazine represents the seventh annual Local Account on adult social care produced by Tower Hamlets local authority.
  
- 1.2 The primary purpose of the Local Account is inform residents, adult social care users and carers of the quality, performance and future priorities of adult social care, so that we are more transparent and accountable. It is an expectation that all councils with social care responsibilities produce a Local Account, although it is not a statutory requirement.

**Recommendations:**

The Mayor in Cabinet is recommended to:

- 1. Approve the Local Account as attached at Appendix A for publication
- 2. Endorse the communication plan for the Local Account as attached at Appendix B

## **1. REASONS FOR THE DECISIONS**

- 1.1 In 2010, the Association of Directors of Adult Social Services (ADASS) recommended that all councils with social care responsibilities produce a 'Local Account' as a means of reporting back to people on the quality of services and performance in adult social care. Local Accounts were described in the Department of Health's 'Transparency in outcomes: a framework for adult social care' consultation paper (November 2010, section 4) as a way of being more open and transparent about the care and support that is provided locally by the Council

## **2. ALTERNATIVE OPTIONS**

- 2.1 An alternative option would be not to produce a Local Account as it is not a statutory requirement; however there is an expectation that all councils with social care responsibilities do so.

## **3. DETAILS OF REPORT**

- 3.1 National context: In 2010, the Association of Directors of Adult Social Services (ADASS) recommended that all councils with social care responsibilities produce a 'Local Account' as a means of reporting back to people on the quality of services and performance in adult social care. Local Accounts were described in the Department of Health's 'Transparency in outcomes: a framework for adult social care' consultation paper (November 2010, section 4) as a way of being more open and transparent about the care and support that is provided locally by the Council.
- 3.2 Format and narrative of the Local Account magazine: The Local Account magazine is mainly structured around the priorities in the 2017-18 Adult Services Directorate Plan, which in turn are broadly consistent with the Strategic Plan. The main 'narrative' that the Local Account magazine attempts to present is that adult social care is addressing the challenges it faces around increased demand and restricted resources by focusing on integration with health services, prevention and promoting independence.
- 3.3 Accessibility: As a document aimed at adult social care users and carers, the accessibility of the Local Account magazine is a key issue. The magazine should be engaging and easy to understand, given that a number of adult social care users have communication needs. Efforts have been made to keep the language used in the magazine in "plain English" with this in mind, although it should be noted that this can sometimes result in nuanced or highly complicated messages being lost. Once finalised, the intention is to produce an easy-read version of the magazine to be aimed at readers who require information in this format.
- 3.4 Coproduction: The Local Account magazine has been heavily informed by staff and stakeholder feedback, and we have moved closer to a co-production model with adult social care users and carers. The following activity was carried out with this in mind:

- 3.4.1 We spoke to adult social care users at Local Voices (a group of residents with disabilities), the Older People's Reference Group and the Carers Forum in meetings across October and November 2017. We also collected service user feedback from numerous pieces of work carried out in 2017 such as the Councils Scrutiny Review into Reablement Services and the development of various co-produced strategies such as the Learning Disability Strategy. We gathered views on where people felt things are going well, and where they need to improve. This information has been incorporated into the Local Account. We presented the draft Local Account back to some of these groups in December 2017 to enable further feedback.
- 3.4.2 Healthwatch Tower Hamlets was invited to be involved in the Local Account at an early stage. Their feedback has shaped the contents of the magazine, and a foreword will be provided.
- 3.4.3 Wider feedback from adult social care users and carers is included throughout the Local Account. This includes survey results, feedback gathered through consultations, and case studies and quotes.
- 3.4.4 Individual teams in adult services teams were asked to highlight successes over the previous year, challenges over the previous year and priorities for the future. This information has informed the Local Account.
- 3.5 Links to other documents: The Local Account magazine has been developed with an awareness of the following linked documents:
- 3.5.1 The Adults Directorate Plan: As previously noted, the Local Account magazine is intended to be an outward-facing magazine whilst the Adults Directorate Plan is intended to be an internal strategic planning tool. We will ensure that the two documents are consistent with one another. The key difference between the two is the accessibility of the language. The development of the Adults Directorate plan will begin in January 2018 and we will finalise this by March 2018 ready for the new financial year.
- 3.5.2 Quality Accounts: Both Barts Health NHS Trust and the East London NHS Foundation Trust produce annual quality accounts. These are reports rather than resident-facing magazines, and are available to view online. Each Quality Account aims to set out similar information to the Local Account. Collectively, they set out the quality and performance of health and social care services across Tower Hamlets.
- 3.5.3 Public health Annual Report: Public health is intending to produce an Annual Report shortly. This will set out similar information to the Local Account and NHS Quality Accounts, and will enable information from public health to be explained in more detail.
- 3.6 Communicating and distributing the Local Account: Whilst a copy of the Local Account magazine will be available to view online, it is recognised that the majority of adult social care users are not actively accessing online information at the moment. For this reason, more traditional methods of communication need to be considered with the Local Account magazine. Posting the magazine out to all service users has not been considered to date due to the cost of doing this. Instead, it is proposed that copies of the Local Account be printed and posted to social care staff and providers so that these can be passed on to social care users. In addition, copies will be distributed in places such as GP

surgeries and One-Stop Shops. More details are in the attached communication plan.

#### **4. COMMENTS OF THE CHIEF FINANCE OFFICER**

- 4.1 The cost of providing the magazine covers design and print which are calculated to be c£5k annually. An allocation for this amount has already been set up in the base budget. The delivery of the magazine will be made by staff therefore no extra costs to be incurred.

#### **5. LEGAL COMMENTS**

- 5.1 The report informs members about the publication of a Tower Hamlets Local Account. The local account is intended to be a source of information, developed locally, which may include quality and outcome priorities and how these have been progressed; a description of partnership working; and data relating to quality and performance. Local information and local outcome measures should be contained in a local account, supplementary to national outcomes measures so as to promote quality, transparency and accountability in adult social care.
- 5.2 The delivery by the Council of its statutory functions in respect of adult social care in a way that is high quality, transparent and accountable is consistent with good administration. The local account is a report and summary that ranges across the Council's adult social care functions. To the extent that the local account sets out priorities or actions, these are a reflection of the content of a number of Council plans and strategies. The Council will continue to have act within its statutory functions, including by complying with its many duties in respect of adult social care and its best value duty under section 3 of the Local Government Act 1999.
- 5.3 In developing the Local Account, the Council will need to have due regard to the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't.

#### **6. ONE TOWER HAMLETS CONSIDERATIONS**

- 6.1 One of the aims of the Local Account magazine is to raise awareness and understanding of adult social care amongst residents, adult social care users and carers. The magazine is therefore intended to result in readers having a better understanding of the issues facing vulnerable adults and how services can support them.

#### **7. BEST VALUE (BV) IMPLICATIONS**

- 7.1 The Local Account magazine has been developed with best value implications in mind. The main costs relate to design and distribution. The Local Account magazine has been designed to be as accessible as possible in order to reach



its target audience. The distribution of the Local Account magazine is set out in the attached Communications Plan: This Plan suggests that rather than posting out the Local Account magazine individually to residents which would be comparatively costly, the magazine be distributed in places we know are frequently attended by adult social care users and carers.

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

- 8.1 As previously noted, the majority of adult social care users are not activity accessing online information at the moment, which means that printed copies of the magazine are also being planned. However, it is proposed that a limited number be printed and that these be distributed in places we know are frequently attended by adult social care users and carers (rather than posted out to every resident) in order to minimise the impact on the environment.

## **9. RISK MANAGEMENT IMPLICATIONS**

- 9.1 Not Applicable

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

- 10.1 There is an increasing crossover between community safety and protecting vulnerable adults – including a key focus on adults safeguarding work. The Local Account therefore has beneficial consequences for crime and disorder in the borough

## **11. SAFEGUARDING IMPLICATIONS**

- 11.1 The Local Account magazine has a section on safeguarding. One of the aims of this is to raise awareness of adult abuse and enable scrutiny and challenge over our performance in this area.

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## **Linked Reports, Appendices and Background Documents**

### **Linked Report**

- NONE.

### **Appendices**

- Appendix 1: The 2018 Local Account
- Appendix 2: The 2018 Local Account Communications Plan

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

- NONE

### **Officer contact details for documents:**

Jack Kerr; email: [jack.kerr@towerhamlets.gov.uk](mailto:jack.kerr@towerhamlets.gov.uk), tel: 0207 364 1683

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# Adult Social Care: How are we doing?

The “Local Account”  
of Adult Social Care  
in Tower Hamlets

2018



Adult social care in Tower Hamlets helps and supports people who are disabled, ill, frail, elderly or vulnerable for another reason. This report tells you about adult social care over the last year and our plans for the future.

## Foreword from the Director of Adult Social Care



Welcome to the seventh edition of our “Local Account” magazine for adult social care. In this edition we tell you about what we have done in the last year, what you have said about the services and advice we provide, and our plans for the future. Our focus over the last year has been on helping people to be as well and as independent as possible, and giving people the support they need to remain living in their local communities if required. We

have set out our plans for the future and you will see that despite the ongoing challenges we face, there is a lot of great work going on.

As our population grows and ages, so too does the demand for social care. We know that if we are not thinking and working differently, then the demand for care services will soon overtake the money available to deliver them. These are serious challenges and we want to work in partnership with you – whether as a user of social care, a carer or resident of Tower Hamlets – to overcome these. We have put an emphasis on ‘co-production’ and we want this to play a key role in how we work in the future. Co-production is about developing more equal partnerships between people who use services, carers and professionals. In the past year we have co-produced a number of new strategies which you can read more about in this magazine. These strategies have been developed with the adult social care service users who use them and the professionals involved in delivering them. In future we would like to go even further, making co-decisions on the allocations of resources, co-delivery of services such as including the role of volunteers in providing services, and co-evaluations of the service.

We will continue to work to prevent poor health in our communities, to reduce the impact of disabilities and long term health conditions and to delay the need for social care by keeping people well and independent. We will also continue to give care and support to people who need it, and make sure that support is of the highest possible standard.

Please do feel free to contact us about anything that you read here in the Local Account or if you would like to be involved in future conversations about adult social care.

**Denise Radley**, *Corporate Director, Health, Adult & Community Services*

# healthwatch

## Tower Hamlets

Where and who we live with very much defines who we are and our life choices.

In Tower Hamlets we live in a unique area, full of life and vibrancy, but for certain sections of our community, life is not always the way we would wish it to be. We have a duty of care to the older and the less able or fortunate. In fact we have a duty to all our neighbours to ensure that we are getting the best outcomes that our efforts will allow.

Healthwatch Tower Hamlets collects local people's views of social and health care services. We make sure they are heard by managers and decision makers to change things for the better. However most people don't know how to make things better, because nobody has worked with them to develop their skills to understand what better services might look like. One of the most important messages of this report is **EMPOWERMENT OF THE COMMUNITY**. We must start to ask ourselves, what do we want from these services that we pay for and use? There are some very innovative and challenging ideas in this report about future ambitions for first class services. We are part of making that happen.

All it takes is for you to tell us, in anyway way you like, what you think of the adult services provided by the council and we will ensure that the message is received. We will tell you when it has been heard, and of course when it has not, and the impact it has had. Tower Hamlets Adult social care are really interested in developing services together. Your engagement and involvement is the key to better services so please use these pathways to help ensure good care services for all.

**David Burbidge**, *Chair, Healthwatch Tower Hamlets*

# Adult Social Care in Tower Hamlets

Adult Social Care is part of the Health, Adults and Community Services Directorate at Tower Hamlets Council.

## What Statutory Responsibilities do we have?

LBTH Adult Social Care has a statutory responsibility for:

- assessing your needs
- planning your support
- arranging your services, where appropriate
- Providing community care services for adults living in Kent who qualify for social care support.

## What is our purpose?

Our principal purpose is to work with people who need care and support and who may need any of the services we arrange or provide. We do this by working with people to understand their personal needs, helping them to build on their strengths and abilities wherever possible. We always aim to promote people's independence and wellbeing, helping them to achieve outcomes that are important to them.

## Who do we support?

LBTH Adult Social Care supports:

- older people
- adults with physical disabilities
- adults with sensory disabilities including dual sensory impairment and autism
- adults with learning disabilities and disabled children
- adults with mental health issues
- moving from children's services to adult services
- adults who give voluntary care to family members or friends.

## What is our aim?

Our aim is to make sure Tower Hamlets population of older people, people with physical disabilities, people with learning disabilities and people with mental health issues live healthy, fulfilled, independent lives and that people feel socially and economically included in the community.

We're also aiming to drive, promote and support transformational change through commissioning high quality, cost effective, outcome based social care services to ensure that the right level of support is provided at the right time, right place and at the right cost for vulnerable adults, their families and carers in Tower Hamlets.

Services funded by Adult Social Care include:



- Information and advice



- Activities such as lunch clubs and LinkAge Plus Centres



- Equipment to help with day-to-day tasks



- Short term support for people coming out of hospital



- Home care



- Services to give carers a break



- Residential and nursing care



- Sheltered or supported accommodation



- Help to find work

## Adult Social Care in Numbers

In 2016-17, we received **3611**<sup>1</sup> requests for new support. This marks a 10% increase from the 3273 requests we received in 2015/16

# 1204



people who contacted us did not meet the criteria for long term support, and were instead helped to find the type of support they needed, for example employment and benefits support. This compares to **874** in 2015/16



# 1173

<sup>2</sup>

people were directed to other helpful activities in their local area after contacting us, compared to **1315**<sup>3</sup> in 2015/16

# 5617



people received one-off support (e.g. OT and Assistive Technology equipment) compared to **5265** in 2015/16

# 1773

carers received support in 2016/17, compared to **841** in 2015/16. This included direct payments, respite care, and information, advice and other universal services such as benefits support



# 2941



people started to receive an ongoing service in 2016/17, compared to 3384 in 2015/16

<sup>1</sup> Short and Long Term Support

<sup>2</sup> This includes 428 people accessing Meals services, 734 accessing day services, 5 people accessing therapeutic services, and 6 people accessing transport services in 2016/17

<sup>3</sup> This includes 518 people accessing Meals services, 787 accessing day services, 4 people accessing therapeutic services, and 6 people accessing transport services in 2015/16

# 3719

Adults in the London Borough of Tower Hamlets received support from adult social care services in 2016/17



# 1520

people received home care support to help them stay living at home

# 60%

of adult social care users in Tower Hamlets were aged over 65

# 40%

of adult social care users in Tower Hamlets are aged between 18-64



# 765

people received short term Reablement services to help them regain their independence after a period of ill health, compared to 687 in 2015/16. 114 people aged 65 years or over received short-term Reablement services to regain their independence 2016/17. 78% remained independent after 90 days

# 778

778 people lived in a care home during 2016-2017. This is 21% of the people using our services



# 24%

of service users received community based social care services through a Direct Payment, an increase from 21% in 2015-16



# 1773

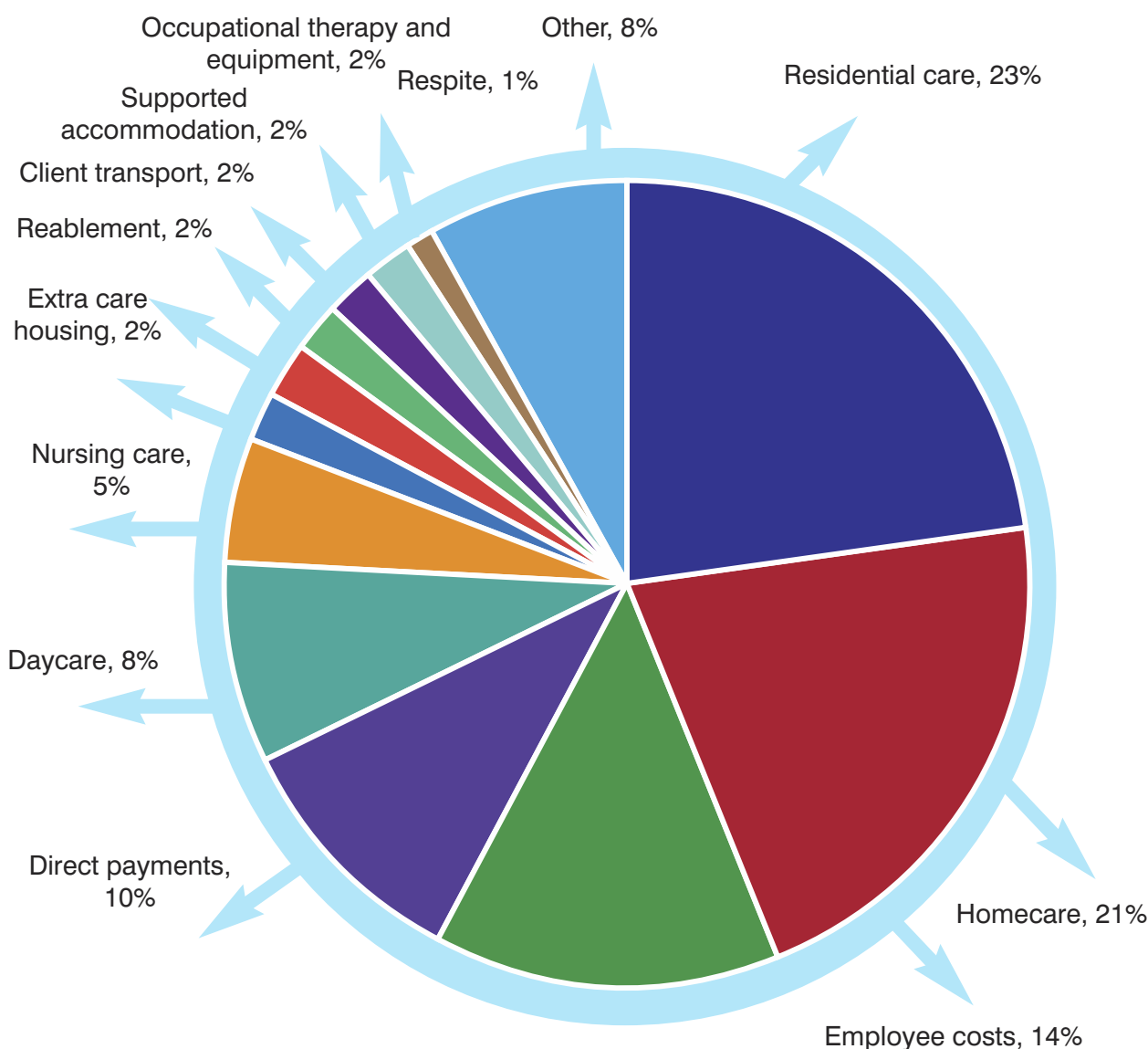
people who look after their friends and family got support in their own right in 2016/17

- 154 carers received Direct Payments to buy their own support
- 289 carers benefitted from respite
- 1287 carers in the borough received information and advice



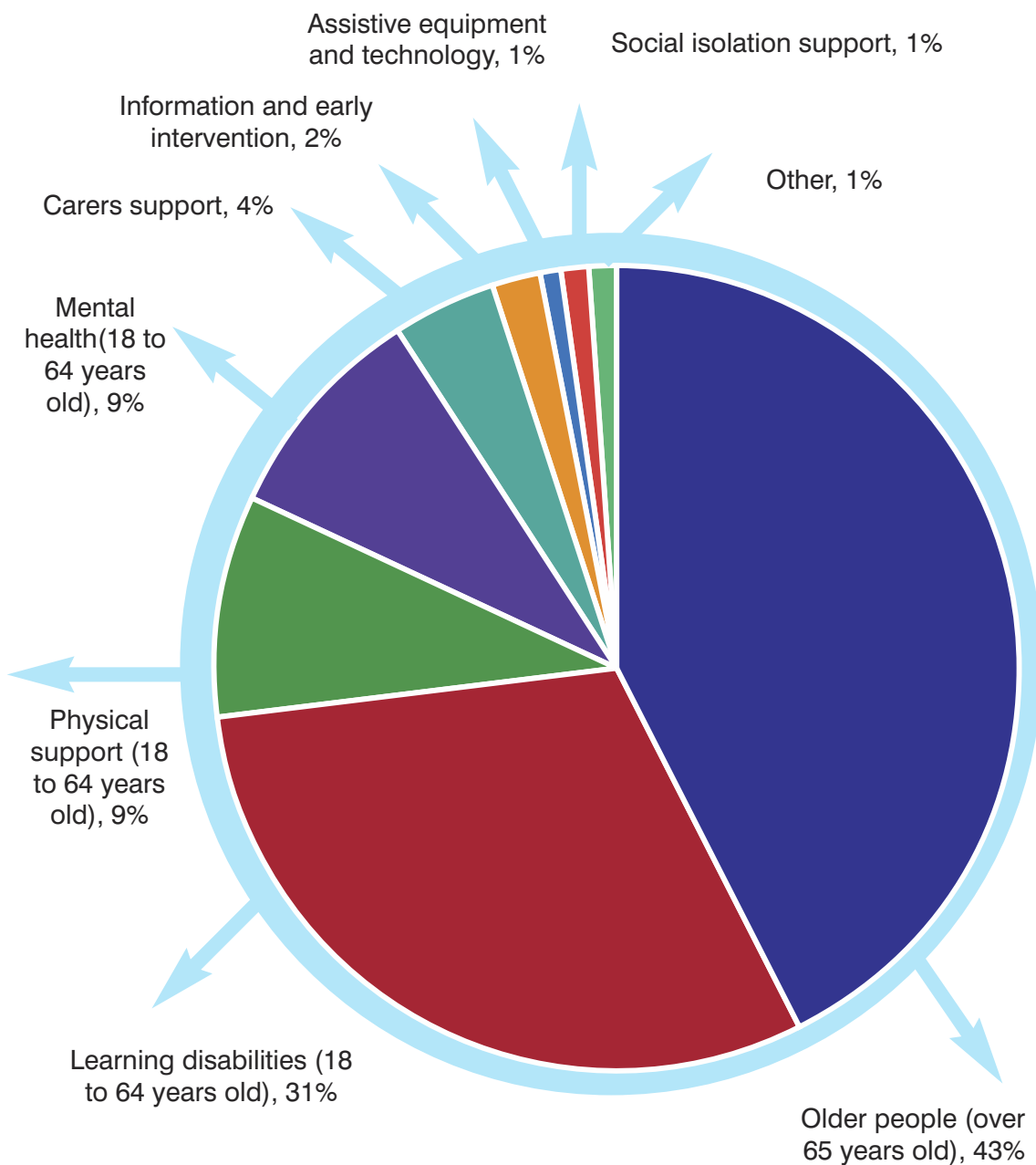
## What we spent last year

- The gross expenditure for adult social care was £116 million in 2016/17. This accounts for approximately one third of the council's general expenditure.
- In 2016/17 adult social care received some additional money through the Better Care Fund and the Adult Social Care Council Tax Precept, however this funding is still not sufficient to meet the future needs of our residents, which presents a risk to our ability to provide quality services to those who need them. The government is launching another major review of adult social care funding in 2018/19.
- The chart below demonstrates what services were commissioned and provided in 2016/17. The main areas of expenditure were residential care, homecare, social work staffing and direct payments.



## What we spent last year

- The graph below demonstrates what proportion of expenditure related to each service area. The main service areas of expenditure were for older people, people with learning disabilities, physical support and mental health.



## Working more closely with the NHS

Over the last year we have worked more closely with the NHS. By doing this, we are able to provide a better service to people, and more effectively meet the needs of our ageing population.

Tower Hamlets council and our NHS partners want to have a single system of health and social care services in the borough by 2020. This means we will plan for the future together, pay for services together, and manage services together. We want to work towards common goals, such as relieving pressure on the hospital system and supporting people in the community wherever possible. Our main aim is for people to get excellent, well-coordinated care, provided in the most appropriate setting. We want people to feel empowered and listened to, and supported to achieve their goals.

### Tower Hamlets Together

Tower Hamlets Together is a group made up of the council and local NHS services. It is this group that has driven the work to join up health and social care over the last year.

Tower Hamlets Together was awarded 'Vanguard' status by NHS England. This means the programme receives support from NHS England and extra funding to develop new models of care that

### Facts and Figures

- For every 100,000 of the population, 6.9 people experienced a delayed transfer of care from hospital due to adult social care. This is better than the England average of 14.9.
- We have focused part of our Better Care Fund spending on reducing the number of people who experience a delay being discharged from the hospital. For example, we funded Age UK to provide a 'Take Home and Settle' service at the Royal London Hospital. Staff offer practical and emotional support and assistance to enable older people to leave hospital and return home. The scheme operates 7 days a week, and is available to patients aged 50+ who are registered with a GP within the borough, prioritising those who live alone, are socially isolated, or at risk of going back to hospital.

other parts of the country can then learn from. Tower Hamlets Together also runs Community Health Services in the borough (such as District Nursing).

## The Better Care Fund

We have a budget known as the 'Better Care Fund' (BCF) that we share with the NHS to enable us to work better together. In 2017/18 the budget was £45 million, compared with £21.4 million the year before. As a result of this, social workers are now available in hospitals at weekends; enabling people who need support from social care to leave hospital and return home without any delays. Our Community Equipment Service is also now open weekends, so people can get equipment (e.g. equipment to help with bathing or getting dressed) without having to wait. Over the past year we have also used the BCF to pay for a range of programmes and services designed to help keep Tower Hamlets residents healthy and independent for as long as possible, including:

- Dementia Cafes to provide advice and peer support to people affected by dementia;
- Training for staff in care homes to prevent unnecessary falls and injuries;
- Short-term Reablement Services to help people regain the skills necessary for daily living following ill-health or disability;
- Adapting the homes of people with disabilities to enable them to continue living there;
- Training in the use of assistive technology.



## The Health and Wellbeing Board

The Health and Wellbeing Board is a place where senior health and social care professionals come together to try and improve the health and wellbeing of local residents. The board has a key role in helping health and social care services work more closely together.

Over the last year, the Health and Wellbeing Board has launched a new Health and Wellbeing Strategy. The strategy sets out what their priorities are over the coming years to improve the health and wellbeing of people living in Tower Hamlets. 'These 5 priority areas are<sup>4</sup>:

Communities driving change	This means empowering people to take action on health issues in their local area
Creating a healthier place	This means making housing and where we live a healthier place to be
Employment and health	This means helping more people into work in a healthy environment
Children's weight and nutrition	This means tackling childhood obesity and tooth decay
Developing an integrated system	This means health and social care working closely together

### Our approach:

- We will develop a "single point of access" for people with health and social care needs, as we know the current system can be confusing
- We will have more health and social care services that are located in the same building
- Health and social care services will put more of their money together into a joint pot, and use this to fund and run services

<sup>4</sup> The full Health and Wellbeing Strategy: Towards a Healthier Tower Hamlets (2017-20) can be read by following this link: [http://www.towerhamlets.gov.uk/Documents/Public-Health/Health\\_Wellbeing\\_Strategy.pdf](http://www.towerhamlets.gov.uk/Documents/Public-Health/Health_Wellbeing_Strategy.pdf)

## The way we work

Adult social care staff carry out assessments to establish if and how people and their carers might need to be supported, guided by a law introduced in 2014 called the 'Care Act'. People who meet a threshold set by the government are legally eligible for support from us.

The Care Act brought in changes that we have continued to build on over the last year. Our vision is for people to have an assessment that is based around their individual needs and focusses on their strengths as well as the things they need help with. This means our social workers work in partnership with each person and those around them to enable the individual to make decisions about their daily lifestyle, and how to manage their health and wellbeing.

Some adult social care service users have told us that there can be inconsistencies in how staff conduct assessments, and that it can sometimes feel like a fight to get support. In a recent survey 56% of service users told us that their social care assessments help them to think about what they can do for themselves and 47% said it helps them to think about how friends and family can help. This is an improvement from previous years however we know there is more work to be done to improve these scores.

In response to this feedback we have put a renewed emphasis on staff training to ensure that:

- There is greater consistency in assessment practice;
- Each person is treated as an individual;
- People are supported to take action to manage their health and wellbeing early, in order to prevent any issues getting worse in future;
- People are supported to help themselves as much as possible, with the help of their friends, families and communities.



In addition, we have recently introduced 'self-assessments', meaning that people can assess their own needs from the comfort of their own home. We will use the information provided via the 'self-assessment' to work out whether we are able to offer you services.

## **Moving from Children's Social Care to Adult Social Care Services**

We have heard from Tower Hamlets residents that it can be difficult when a child receiving support from children's social care becomes an adult and transitions to adult social care. This year, we have tried to improve how we manage this transition. We have introduced a new 'Transition Panel' where staff and others come together to plan for potentially difficult or complicated cases. We have trained our staff across Children and Adult Services to better manage this issue.

## **Adult Social Care Improvement Board**

In February 2017 we set up an Adult Social Care Improvement Board, to improve the quality of our work and drive-up performance standards. For example, some people told us that they were waiting too long for an assessment or to access services like Reablement (a short-term programme of support designed to help people get back on their feet after a period of ill health). We have addressed this issue through the board over the last year and changed policies and procedures to ensure that unnecessary delays are avoided. For example, where possible, the longest a person will have to wait to be assessed by the Reablement Service is seven days.

### **Our approach:**

- We will further develop how assessments are carried out in adult social care, and align our services with local health services
- We will further develop the support available to carers
- We will review more people's care and support packages to make sure they are getting the support they need
- We will further improve our support to those moving to adult social care from children's social care

## Doing more to prevent ill health

### Facts and Figures

- 4% of older people received short-term support to get back on their feet after a stay in hospital, above the England average.
- 78% of older people who were discharged from hospital into reablement or rehabilitation were still living at home after 91 days. This is slightly below the England average of 82%.
- 95% of people who received short-term support went on to receive less or no ongoing support – this is greater than the England average of 77%.
- Men in Tower Hamlets have the lowest healthy life expectancy<sup>5</sup> in the country at 54 years, compared to 63 nationally.
- Women are expected to have 57 years of good health compared with 64.

Working in partnership with the NHS, we are committed to helping people to stay as well as possible, for as long as possible. Over the last year, this has continued to be one of our main goals.

### Improving information and advice

Getting the right advice at an early stage can help people stay well. Over the last year, we have revamped our website and we have directed more people to Local Link and the Carers Centre for any questions they have about social care (their contact details are on the back page of this magazine). We are pleased that people who use adult social care continue to report that they are finding it easier to find information and advice. However, in a recent survey only 55% of service users told us they were happy with the quality of the information and advice they receive from the council, down from 60% the previous year.

Adult social care users have told us that our information is still not always easy to understand. We also know that many social care users do not use the internet, meaning we can't rely on this as a way of getting information out to people. So we know we have more work to do. We are developing a new Information and Advice Strategy to set out the direction for how adult social care will make available and influence the provision of information and advice for people with and without support needs, their families and professionals.

<sup>5</sup> Healthy life expectancy is the number of years a person can expect to live in good health.



## Linking people up to activities in their communities

Both the council and the NHS have been trying to link people up more with activities in their communities, knowing that this can improve their health and that people often don't know about what is available in their local area. We launched our online 'Community Catalogue' this year, which along with the online Idea Store directory, sets out a lot of different services and activities that people can access.

In addition, a growing number of GP surgeries in Tower Hamlets started offering 'social prescribing' in 2017. Social Prescribing is when a person visiting a GP's surgery is prescribed activities run by voluntary and community groups, such as sports, gardening or cookery.

“[Staff] were always friendly, helpful, and enabled me to get better. They were a great source of support through a difficult period.”

## Reablement

“The Reablement team help you get back on your feet, they're not there to do it for you... slowly but surely each day you're supported do a little bit more for yourself... they're there to help me to do it for myself.”

Reablement helps people regain their independence after a period of ill health. The waiting list for

Reablement can be long, so this year we have worked hard to address this.

As a result there has been a significant reduction in waiting times for people trying to access this service, but our aim is that in 2018 the longest a person will have to wait to be assessed in the Reablement Service is seven days.

## Discharging people from hospital

In 2016 we trialled a new way of discharging older people from hospital if they needed social care. This means a person is discharged home as soon as they are healthy and it is safe for them to do so, and then an assessment of their care and support needs is carried out at home. The benefit of this is that people do not have to wait on a hospital ward before they are allowed to go home.



Through this pilot it was found that the average length of stay in hospital went down and that there was a dramatic fall in the number of patients ending up needing long-term care. For example, during the trial, just 1% of patients who were discharged under the new approach ended up moving into a care home, compared with an estimated 50% of patients who were discharged under the old method. As a result of this success, 'discharge to assess' has now been adopted as standard practice in the borough.

### **Combatting loneliness and social isolation**

In a recent survey, 28% of adult social care users in Tower Hamlets said they did not have enough social contact<sup>6</sup>, up from 26% the previous year. The council is committed to prioritising action to address loneliness and social isolation amongst the borough's residents. A new approach is being developed in partnership with a range of different organisations that will inform our priorities going forward.

Mr B is 35 and partially sighted and volunteers 6 hours a week with a befriending service. Before he joined, he was very shy and quiet. He visits vulnerable people in their homes and advises them on any support they may benefit from. He is able to support people at home to use a tablet and provides advice on ways to save on their energy bills. His confidence has grown since joining the befriending service.

### **Our approach:**

- We will continue to help people to stay as well as possible, for as long as possible. This is one of the main aims of health and social care services.

<sup>6</sup> 2016-17 Adult Social Care Service User Survey.

## Helping people to be as independent as possible

Helping people to be independent continues to be one of our main aims as it has real benefits for people. We were pleased that in a recent survey, 70% of adult social care users said that care and support helps them be as independent as possible, however this has decreased from 78% in the previous year. We know we can do better. Some of the things we have been working on include:

### Using technology

More people are using technology to help them stay safe and be independent, for example personal alarms or sensors that react if someone falls at home. We have been offering a bigger range of technology to more people, and want to continue to do this in the year ahead. In 2016/17 we provided training to 178 social care and health staff to enable them to better understand how these new technologies works.

### Facts and Figures

- In 2016/17 we installed 672 pieces of technology into people's homes, approximately an increase of 8% from the previous year
- We provided training to 178 social care and health staff on using new technologies

### Smart Care

For many years, it has been standard practice for people who need to be hoisted or cared for in bed at home to have two carers or care workers. However, advances in technology, equipment, and manual handling techniques mean that in many cases, a single carer can provide care safely on their own. adult social care users who have one carer rather than two

### Facts and Figures

- 69% of adults with a learning disability live independently (i.e. not a care home), The England average is 76%
- 7% of adults with a learning disability are in work, an increase of two percentage points from the previous year. The England average is 6%
- 24% of adult social care users received a direct payment. This is below the England average of 28%.
- 71% of adult social care users say they have control over their daily lives. This is an increase of two percentage points from the previous year. This is below the England average of 78%.



often say they have a better relationship with their carer, and that they feel they have more dignity and privacy. For many people, it also means better comfort and positioning when sitting in their chair or wheelchair, and less danger of damage to their skin. In the last year, we have looked at almost 100 cases where an adult social care user is getting support from two carers and in a third of cases the number of carers has been reduced to one. We will continue this work going forward.

## New Adult Learning Disability Strategy<sup>7</sup>



National estimates indicate that more than 2% of the adult population have a learning disability, which equates to almost 5,000 people in Tower Hamlets. We are determined to do everything we can to make sure that all people with a learning disability in the borough live well and enjoy a full life, with as much independence as possible. Despite the existing good work we know that there are still many things that we can do better. This is why we launched a new 'Adult Learning Disability Strategy' in 2017, setting out the improvements we want to make to our services in the next three years. We have also started a new project that looks at how we will support people with a learning disability, who are willing and able to move from care homes outside the borough, back into the community.

<sup>7</sup> The new Adult Learning Disability Strategy can be read here [https://www.towerhamlets.gov.uk/Documents/Consultation/TH\\_ALD\\_Strategy.pdf](https://www.towerhamlets.gov.uk/Documents/Consultation/TH_ALD_Strategy.pdf)

## Ageing Well Strategy<sup>8</sup>



We launched a new 'Ageing Well Strategy' in 2017, which is the first strategy to set out our priorities for improving the experience of people aged 50 or over in Tower Hamlets. This strategy was co-produced with the Tower Hamlets Older People's Reference Group, who are committed to remaining in the driving seat as they work to develop the action plans for this strategy.

## New Carers Strategy<sup>9</sup>

There are over 19,000 people in Tower Hamlets who provide some form of unpaid care for a friend or family member. Carers have told us that they often do not recognise themselves as such, which means many do not access the care and support they need. Carers have also told us that they want to feel valued and recognised as an expert and equal partner in the care of their loved ones, that they struggle to be a carer and work at the same time, that they need a break from their caring role, and that they often neglect their own health and wellbeing because they are so busy looking after their loved ones.

We recognise that carers are at the heart of the borough's families and communities and we want them to be able to continue to care for family members and friends whilst being able to lead a life outside of caring. In April 2017 we launched a new three year 'Carers Strategy'. This was

## Carers Dignity Charter

We have launched a new charter of standards for carers. The charter highlights how carers will be supported to continue to look after family members and friends whilst being able to lead a better quality of life outside of their caring role. The charter can be read here:

<https://www.towerhamlets.gov.uk/Documents/Adult-care-services/CarersDignityCharter.pdf>

<sup>8</sup> The new Ageing Well Strategy can be read here:

[http://assets.oprg.org.uk/pdf/Ageing%20Well%20Final%20TH2017\\_v4.pdf](http://assets.oprg.org.uk/pdf/Ageing%20Well%20Final%20TH2017_v4.pdf)

<sup>9</sup> The full strategy can be read here:

<https://democracy.towerhamlets.gov.uk/mgConvert2PDF.aspx?ID=100142>

co-produced with professionals in health and social care, voluntary and community groups, local carer services, and local carers themselves. Over the next three years, we want:

- To make sure carers are recognised as a carer;
- To make sure that carers are supported in their carer role;
- To make sure that carers feel valued and respected in their role as a carer;
- To make sure that young carers are supported as they transition from children's Services to adult services.

*Miss D cares for her 65 year old sister who suffers from multiple health issues. Due to her health conditions, Miss D could not leave the house to study or work as her sister needed constant help. She was informed about a Carers Project by a friend and met with staff for advice. Miss D was signposted to the programmes that suited her needs. She has since enrolled on training to enhance her skills as a carer. She has also successfully completed a whole range of different training organised by the organisation for carers and attended the support group sessions. She has gained a lot of ideas, skills and knowledge since contacting the organisation.*

## **Helping people have more control over their care and support**

A personal budget is the amount of money that we allocate to our adult social care service users to make sure that their assessed needs are appropriately met. 82% of adult social care service users received community based social care services through this type of self-directed support in 2016/17, an increase from 74% in 2015/16. Direct Payments are a funding choice in personal budgets. You can choose to have a Direct Payment instead of letting the council arrange services for you. Direct Payments give you lots of control over your care and support. You can decide how your needs are met and buy the support that suits you best. The number of people who decided to take their personal budget as a Direct Payment from the council to purchase their own care and support increased from 21% in 2015/16 to 24% in 2016/17.

We know that Direct Payments have the power to give people more choice and control over their care. In a recent survey, 91% of people with a Direct Payment said they were satisfied<sup>10</sup> with their care and support – slightly higher than the average result of 90%. We want to continue to encourage more people to take up the offer of Direct Payments, and so we will provide more information about how to access them. The council has launched a Personal Assistant (PA) Finder to make it easier for people with a Direct Payment to search and find a PA online. You can search our database of PAs by visiting our website.



### Our approach:

- We will help more people with a learning disability or mental health issue to find work
- We will support more people with a learning disability who live in care homes outside Tower Hamlets to move back in to the borough if they are willing and able
- We will provide better information to people about Direct Payments
- We will offer a bigger range of technology to people to help them stay safe and well

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<sup>10</sup> Extremely, very or quite satisfied

## Using our resources in the best possible way

Resources for adult social care are an issue across the country, as the budget we have to spend as a council is under major pressure due to cuts to government funding and increased demand for services. Inevitably this leaves both the council – in partnership with residents – with some tough decisions to make as to how we save money.

We have tried and will continue to try to save money in adult social care by:

- Helping people to be as well and independent as possible so that the demand for social care is not as high as it would be otherwise;
- Working closely with the NHS so that our resources are put to the best possible use.

### Review of Adult Social Care Frontline Care Services

We have carried out a wide ranging review of our frontline adult social care teams to better align these with local health services. Our aim is to fully integrate social care and health services by March 2019. We want to secure the best possible outcomes and maximum value for residents. The proposed changes aim to put the person at the heart of health and social care to create an integrated system that is person centred and empowers people to actively maintain their health and wellbeing within the community. We will be able to draw on the different strengths of our health partners and our own adult social care services to allow people take more control over their lives through greater independence.

### Facts and Figures

- Since the cuts started in 2010, the council has saved £138 million. We need to save another £58 million by 2020.
- The number of managers has gone down by 33% and the number of staff by 25% over the last five years.
- Spending on adult social care comprises 1/3 of the council's budget, but it is under huge pressure and funding is still not sufficient to meet the future needs of our residents. We need the government to agree a long term solution to this cost pressure.



## Charging for Adult Social Care Services:

In a climate of restricted resources, we have updated the charging policy for adult social care. All but one other local authority in England charges people for home care and other social care services in the community using a means test and in 2016 we made the tough decision to do the same.

The adult social care charging policy has ensured that Tower Hamlets council has a more generous policy than other councils, meaning that people on very low incomes will not need

to pay anything towards the cost of care. This is in line with the

Mayor's priority to tackle poverty, and provide

protection for those on low incomes. To further support vulnerable and disabled adults, their carers and families, we do not charge carers for services that they access.



Our new charging policy was introduced in October 2017. If you are receiving care funded by the council, a member of staff will contact you to explain what the charges mean to you, and will

explain what (if anything) you will be asked to pay towards the cost of care. As part of the process, the Financial Assessments Team will also carry out a benefits check to ensure that service users are in receipt of all of the Department of Work and Pension benefits available to them.

We will conduct an evaluation of the charging policy in 2018 to review the impact it is having.



## Protecting and improving the quality of care and support

Most social care users tell us they receive care that has a real and positive impact on their lives. Equally, we know that poor quality care can have devastating consequences. We are always looking to protect and improve the quality of Adult Social Care. Here are some of the issues we have looked at over the last year:

### Co-produced Strategies

A key part of our vision for the future of health and social care services is that people should be empowered to exercise more control over their health and wellbeing, their care packages to remain independent wherever possible. In the last year, we have developed a number of strategies that set out our plans for the next three to five years for carers, older people, people with autism and people with a learning disability. These strategies were all co-produced, meaning they have been developed jointly with adult social care service users, carers and others (for example voluntary organisations).

### Facts and Figures

- 94% of adult social care users say care and support improves their quality of life
- 88% of adult social care users say that their social care allows them to have more control over their daily life
- We received 77 complaints about adult social care last year. 40% of these were about service delays or failures.
- In 2016/17, 6 of our 26 commissioned providers were rated as 'requiring improvement' by the CQC, 18 were rated as 'good', and 2 were rated as 'outstanding'.

## Home care

Whilst most people have a great experience of care workers, some people have reported problems in this area. People want consistent care workers who are flexible and are not rushed or late to appointments. We are committed to people getting a good quality service, so we are investing more money in home care and have recently signed up to Unison's Ethical Care Charter. This means that care workers can expect a decent wage and get the training and support they need to do a good job. We also regularly check on people's experience of home care so that we can address any problems that arise. We are pleased that in a recent survey, 90% of people getting home care said they were satisfied with the service they received<sup>11</sup>.



### Our approach:

- We will work on waiting times so that there are no unnecessary delays to getting care and support
- We will continue to monitor peoples experience of homecare and other services, taking action where needed

<sup>11</sup> 2016-17 Adult Social Care Service User Survey. 90% of respondents in receipt of home care were extremely, very or quite satisfied with their care and support services.

## Protecting vulnerable adults from abuse

We are committed to keeping adults in Tower Hamlets safe from harm, abuse and neglect. We are pleased that Adult Social Care users have told us we are on the right track: 88% said in a recent survey that the care and support we provide helps them to feel safe, which is two percentage points higher than the previous year and higher than both London and England averages<sup>12</sup>. Working with other local services and organisations, some of our key achievements through Tower Hamlets Safeguarding Adults Board over the last year include:

- We have carried out 'Safeguarding Audits' which have helped us to assess the quality of our practice and identify any improvements, trends or learning needs for the future.
- Staff working in our local NHS hospitals have undertaken a number of initiatives. These include flagging all patients known to the local learning disability team; using Hospital Passports and developing easy read materials for patients.
- The Community Safety Partnership has been improving links between council services and with local partners like the Police to ensure vulnerable people are protected from extremism and terrorism. Ongoing work includes tackling hate crime, safeguarding vulnerable victims of repeated Anti-Social Behaviour offences, tackling all forms of violence against women and girls, and targeting perpetrators and support for victims of domestic abuse.
- The London Fire Brigade has a number of local initiatives (such as their 'Christmas Dinners' event) which enables them to reach out further to those who are vulnerable in the community. This provides additional opportunities for their voices to be heard and to effectively tackle the impact of social isolation.

<sup>12</sup> 2016-17 Tower Hamlets Adult Social Care Service User Survey

### Facts and Figures

- In 2016/17, 720 safeguarding concerns were recorded in Tower Hamlets. The number of concerns has increased compared to the previous year when 467 concerns were made in Tower Hamlets. There is an increased awareness of safeguarding and this has contributed to more concerns being raised by social workers.
- 38% of investigations were about neglect, making this the largest single type of abuse - similar to the wider national picture in England.

## Safeguarding Adults Review

We have a legal duty to carry out an investigation in cases where an adult in vulnerable circumstances has died or experienced significant harm or neglect. In Tower Hamlets we are currently investigating four cases of this type. On conclusion of these investigations, an action plan will be drawn up to ensure the recommendations of the findings are implemented.

Mrs Q is a 75 year old white British woman who lived alone at the time of the review. She lived in a first floor level access flat reached via a lift. Mrs Q has a relative who lives outside London and has had some contact with her. Mrs Q has an advocate who is based in the community. Having a number of health problems and hospital admissions, Mrs Q found it difficult to accept help. Events led to her being discharged from hospital without any support and Mrs Q was left alone for several days.

Tower Hamlets Safeguarding Adults Board commissioned a safeguarding adults review to investigate the events leading to Mrs Q being left without personal care services for several days. It was evident that if there was better communication between agencies, Mrs Q would not have been left in this situation. As a result, the working practices and operational procedures of key staff and agencies involved in Mrs Q's care were reviewed with a requirement to improve communication.

## Adult social care contact details:

- General questions relating to adult social care: contact Local Link on **020 7001 2175** or visit **[www.local-link.org.uk](http://www.local-link.org.uk)**
- • If someone needs help from social care urgently: contact the council on **020 7364 5005** or email us on **[adultcare@towerhamlets.gov.uk](mailto:adultcare@towerhamlets.gov.uk)**
- If you have a safeguarding concern call safeguarding adults hotline on **020 7364 6085**. To report abuse to the police please contact the Tower Hamlets Multi Agency Safeguarding Hub on 020 3276 3501 or email **[towerhamletsMASH@met.police.uk](mailto:towerhamletsMASH@met.police.uk)**
- • If you care for someone else and need support: contact the Carer Centre on **020 7790 1765** or visit **[www.carerscentretowerhamlets.org.uk](http://www.carerscentretowerhamlets.org.uk)**
- • If you have a complaint about a social care council service: contact the council on **0800 374 176** or email us on **[complaints@towerhamlets.gov.uk](mailto:complaints@towerhamlets.gov.uk)**



Want to learn more about what activities are in your local area?

For details of social care services, visit **[www.towerhamlets.gov.uk/communitycatalogue](http://www.towerhamlets.gov.uk/communitycatalogue)**

For details of other local activities, visit **[www.ideastoreonlinedirectory.org.uk](http://www.ideastoreonlinedirectory.org.uk)**

This magazine has been produced in partnership with people who use adult social care services. We would like to thank the following groups for their help in putting this together: Healthwatch Tower Hamlets, the Older People's Reference Group, the Carer Forum at the Carer Centre and Local Voices. We would also like to thank the organisations we work with who contributed to this magazine.

We welcome any comments or suggestions on this magazine. Please email us on **[ppci@towerhamlets.gov.uk](mailto:ppci@towerhamlets.gov.uk)** with any feedback, or to request any further information on the issues raised.

*Published Spring 2018*

If you need this document in another format such as braille, large print, translated, call **0207 364 4389** or email **[communications@towerhamlets.gov.uk](mailto:communications@towerhamlets.gov.uk)**

To read the Local Account online, please visit **[www.towerhamlets.gov.uk/localaccount](http://www.towerhamlets.gov.uk/localaccount)**

## The 2018 “How are we doing?” Local Account magazine Adult Social Care – Communications Plan

### 1. Introduction

The 2018 “How are we doing?” Local Account magazine attempts to set out the quality and performance of adult social care services over the last year, and our priorities for the future. It is aimed at local residents, adult social care users and carers. The purpose of it is to better equip residents, adult social care users and carers to scrutinise and challenge what we do, ultimately with a view to driving up the quality of services as a result.

### 2. Communications Plan

2.1 When drawing up the Local Account magazine communications plan, it should be noted that the options have not been pursued:

- Option 1: Only uploading the Local Account magazine to the Tower Hamlets website, rather than printing copies. This option has not been pursued as the majority of adult social care users are not activity accessing online information at the moment<sup>1</sup>. The Local Account will still be made available online in addition to printed copies.
- Option 2: Posting out the Local Account magazine to all residents, or to all adult social care users. This option has not been pursued due to the cost involved. Instead, the magazine will be distributed in places that we know are regularly frequented by adult social care users and carers.

2.2 The table below sets out how the Local Account magazine will be communicated to residents, adult social care users and carers over spring and summer 2018:

	Medium	Notes
1	Internet	The magazine will be uploaded on the local authority website and promoted via the front page
2	Via local authority staff	Frontline staff in the Adult Services Directorate will be encouraged to give out the Local Account magazine to the adult social care users and carers they come into contact with. The magazine will be promoted to staff via email, the intranet, Tower Hamlets Now and via team meeting briefings. Copies will be posted to individual teams, including:

<sup>1</sup> In the 2014-15 Service User Survey, 16% of respondents said they used email and the internet. 19% said they did not use email or the internet but found out information from people who did. 66% said they did not use email or the internet at all. (Please note we did not ask this question in the 2015-16 survey so do not have updated results)

		<ul style="list-style-type: none"> <li>- In-house day care services</li> <li>- The Sight and Hearing Service</li> <li>- Reablement</li> <li>- The Community Equipment Service</li> <li>- Practitioner teams.</li> </ul>
3	Via social care staff	<p>Staff working for providers commissioned by the Adult Services Directorate will be asked to communicate and distribute the Local Account magazine to service users. The magazine will be promoted to providers via email and the Pan-Provider forum. Copies will be posted to key providers, including:</p> <ul style="list-style-type: none"> <li>- Local care homes</li> <li>- Commissioned day care providers</li> <li>- Commissioned home care providers</li> <li>- Commissioned supported housing providers</li> <li>- Commissioned information and advice providers</li> <li>- Lunch Clubs</li> </ul>
4	Via customer forums	<p>Customer forums will be provided with copies of the Local Account magazine. This will comprise of Healthwatch Tower Hamlets, the Older People's Reference Group, Local Voices, Have Your Say, the Tower Hamlets LGBT Forum and any other relevant groups.</p>
5	Via local services	<p>The Local Account magazine will be distributed to the following key locations in the borough:</p> <ul style="list-style-type: none"> <li>- GP surgery waiting rooms</li> <li>- Royal London Hospital and Mile End Hospital waiting rooms</li> <li>- One-Stop Shops</li> <li>- Council office reception and waiting areas.</li> </ul>
6	Social media	<p>Short video clip communicating key messages with an introduction from the Cabinet Member</p>
7	Press Release	<p>Press release with case study and highlighting headline stats. Will be issued to local, BME and trade media.</p>



<p><b>Cabinet</b></p> <p>20 March 2018</p>	
<p><b>Report of:</b> Ann Sutcliffe, Acting Corporate Director, Place</p>	<p><b>Classification:</b> Unrestricted</p>
<p><b>Tower Hamlets Planning Compliance Policy</b></p>	

<b>Lead Member</b>	<b>Councillor Rachel Blake, Cabinet Member for Strategic Development &amp; Waste</b>
<b>Originating Officer(s)</b>	Desmond Adumekwe (Planning Compliance Manager) & Paul Buckenham (Development Manager)
<b>Wards affected</b>	All wards
<b>Key Decision?</b>	Yes
<b>Community Plan Theme</b>	<b>A Great Place to Live</b>

## Executive Summary

Tower Hamlets is experiencing a period of significant growth and investment, with substantial change in the built environment ranging from small scale development by householders and local businesses, through to major development projects and regeneration initiatives.

The planning system plays a central role in managing development, through the assessment and determination of planning applications and the granting or refusing of planning permission. Ensuring compliance with approved plans and planning conditions, investigating reported breaches of planning control and the appropriate use of planning enforcement powers all contribute to an effective development management process.

The National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG) set out the importance of effective planning enforcement how local planning authorities should use their discretionary enforcement powers. The NPPF says that Local Planning Authorities should prepare a Local Enforcement Plan, to explain how they will exercise their discretionary enforcement powers.

A recent restructure of the Planning and Building Control Service, established a Planning Compliance Team with a wider remit than the former Enforcement Team. A new manager is in post and the capacity of the team has been expanded following the approval of a Mayoral growth bid as part of the 2017/18 Council budget process.

In response to this, a draft Planning Compliance Policy is being prepared, which

will address the NPPG guidance, but go further than being solely an enforcement plan, by taking a more rounded approach to planning compliance issues, including a framework for taking forward proactive improvement projects.

The draft Planning Compliance Policy will set out the Council's approach to investigating and dealing with breaches of planning control, explain how decisions to take formal enforcement action will be made and set out the standards of service that members of the public will receive.

The Planning Compliance Policy has been informed by casework, comments received and an up-to-date evidence base. It is also drawn up in full consideration of the Tower Hamlets' Enforcement Policy adopted on 29<sup>th</sup> July 2010.

The report has undertaken a public consultation on those documents over a six week period ending 19<sup>th</sup> February 2018. This report seeks approval for adoption from the Mayoral Advisory Board in advance of formal adoption by Mayoral decision.

**Recommendations:**

Post consultation the Mayor in Cabinet is recommended to:

- a) Consider this report and the draft Planning Compliance Policy attached at Appendix 1.
- b) Approve of the draft Planning Compliance Policy for adoption

## **1. REASONS FOR THE DECISIONS**

- 1.1 Powers to enforce planning controls are given by Parts VII and VIII of the Town and Country Planning Act 1990 (as amended). The power to take enforcement action is discretionary to the local planning authority.
- 1.2 With regard to enforcement action the National Planning Policy Framework (NPPF) (March 2012) issued by the Department for Communities and Local Government guides local planning authorities in the following way:-

*“Effective enforcement is important as a means of maintaining public confidence in the planning system. Enforcement action is discretionary and local planning authorities should act proportionately in responding to suspected breaches of planning control. Local planning authorities should consider publishing a local enforcement plan to manage enforcement proactively, in a way that is appropriate to their area. This should set out how they will monitor the implementation of planning permissions, investigate alleged cases of unauthorised development and take action where it is appropriate to do so”.*

## **2. ALTERNATIVE OPTIONS**

- 2.1 Continue working as is utilising existing national policy such as the National Planning Policy Framework and Planning Practice Guidance (‘Ensuring effective enforcement’).

## **3. DETAILS OF REPORT**

- 3.1 The document combines both the general strategic direction and the Tower Hamlets approach to the planning compliance regime in one document as per Government advice. It includes the legislative basis for such a policy and the local contextual factors that influence how the Council will deliver a compliance service. The Policy is set out in the form of an accessible document for members of the public to understand the level of service that they can expect from the Council. It covers an indefinite period from 2018 but will be reviewed periodically to take account of changes in local priorities and issues affecting the Borough.
- 3.2 The Planning Compliance Policy explains how members of the public can report possible breaches of planning control, how these will be investigated, how the progress of the investigation can be tracked and how feedback will be provided on the outcome and any actions that are agreed.
- 3.3 The document points out a number of goals for the policy relating it the public’s needs and expectations at every step.
- 3.4 The document also sets out the principles of making decisions to carry out formal planning enforcement and the tools that are available. This includes

guidance on how Tower Hamlets will apply the key aspects referred to in the NPPF and NPPG, when making these decisions:

- a proportional approach;
- the test of expediency;
- consistency of approach;
- transparency.

- 3.5 The main bulk of the document however puts into detail the Council's approach to using the enforcement tools available in order to resolve breaches (e.g. Enforcement Notices, Breach of Condition Notices and legal proceedings) and the types of scenario where these could be appropriate.
- 3.6 The Planning Compliance Policy also explains how the planning compliance regime works with other enforcement and compliance regimes. It sets out how it is intended to work in a cross-departmental manner and the sharing of information to provide a joined up approach to resolving planning and related issues.
- 3.7 The document also advises that there may be cases where it may not be possible to deal with the matters raised in the initial contact with the planning service, for example because the works or development that has taken place does not require planning permission or because the time allowed for taking formal action has expired.
- 3.8 Planning enforcement tools can be used proactively to deal with area based or topic based issues that help to deliver wider strategic objectives for the Council, irrespective of whether specific complaints have been received. For example the Council's Planning Compliance Team has led a project to enhance Brick Lane Town Centre by investigating and taking action against unlawful signs and advertisements. Projects are also underway to look at how the impacts of construction can be more proactively managed and to investigate incidents where access to the River Thames Walkway has been closed without the relevant consents. The Planning Compliance Policy will highlight this approach and set out the framework for identifying similar proactive projects in the future.

#### **4. PUBLIC CONSULTATION**

- 4.1 The consultation on the Planning Compliance Policy started on 8 January 2018 and ran for 6 weeks. The public consultation process closed on 19 February 2018. Public consultation was carried out in general conformity with the adopted Statement of Community Involvement (SCI).
- 4.2 The Planning Compliance Policy was published on the Council's website and residents and stakeholders were able to make comments on the document online, by email or by post.

- 4.3 The 6 week consultation was an opportunity for the public and stakeholders to influence the content of the policy. Views were sought on the Council's approach to planning compliance and whether the draft document has captured the issues that are of importance to local people.
- 4.4 A total of 218 individuals and organisations were notified of the consultation draft. This includes all Tower Hamlets Ward Councillors; local residents' and tenants' associations; local amenity societies; relevant national amenity societies; Historic England; Natural England; the Metropolitan Police; the London Fire Service; Transport for London and the regulatory services within the Council.
- 4.5 In response to the public consultation, the Council received comments from the Spitalfields' Neighbourhood Planning Forum, the Port of London Authority and Natural England. The Council's Legal Services Team has also been involved in the preparation of the draft Policy.
- 4.6 The table below summarises the issues raised and the proposed response:

Comments	Response / alteration
<p><i>Spitalfields Neighbourhood Planning Forum:</i></p> <ul style="list-style-type: none"> <li>• s.5.4 add "Unauthorised painting of buildings in conservation areas"</li> <li>• s.6.17 amend "in extreme cases such as demolition in a conservation area" insert the words "severe damage or" before demolition.</li> <li>• Also under Section 6 consider adding a section which would compel Remedial Work to be made to reverse unauthorised/incompliant works.</li> </ul>	<ul style="list-style-type: none"> <li>• The painting of buildings within a conservation area is permitted development (e.g. does not require planning permission (General Permitted Development Order 2015, Part 2, Class C) unless it is for the purpose of advertisement, announcement or direction. As such the Council cannot commit to taking enforcement action against the painting of a building in a conservation area unless it is listed, controlled by planning condition or exists as an advertisement, announcement or direction.</li> <li>• There is case law (<i>Shimizu (UK) Ltd v. Westminster City Council</i> 1997) that demolition of only part of a building not amounting to demolition of the whole or substantially the whole of the building is to be regarded as an alteration of the building rather than as demolition. However if this alteration does not constitute permitted development planning permission may be required and this may serve as an unauthorised breach of planning control. This will not however constitute a prosecutable offence. <b>The draft Compliance Policy will be updated to provide greater clarity on this point</b></li> <li>• Paragraph 6.18 explains the default</li> </ul>

	<p>powers which include the possibility of carrying out works in default and recovering all associated costs from the contravener.</p>
<p><i>Port of London Authority:</i></p> <p>The PLA support the aim of the planning compliance team to push forward more area or topic based pro-active projects, using enforcement tools to help deliver Council objectives. The PLA specifically welcome the reference to the statement in paragraph 10.5 that Tower Hamlets has flagged the following projects as priorities in the document.</p> <ul style="list-style-type: none"> <li>- Dealing with the impacts of construction and ensuring compliance with Construction Management Plans</li> <li>- Investigating closures and obstructions to parts of the Thames Path</li> </ul> <p>In regards to the reference to ensuring compliance with Construction Management Plans, The PLA would have a particular interest in schemes involving or promoting the use of the River Thames for the transportation of construction materials and waste, and ensuring this is implemented, which is supported by the PLAs Vision for the Tidal Thames (2016) which includes a specific goal encouraging the use of the River Thames for freight, rather than by road.</p>	<p>The Council will continue to ensure that all relevant parties, including the Port of London Authority, are consulted in the determination of planning decisions and with regard to any related pro-active projects. Should any breach of condition, particularly with regard to construction management plans, affect areas covered by the Port of London Authority, the Council will work closely with the body in order to resolve the matter as expeditiously as possible.</p>
<p><i>Natural England:</i></p> <p>Natural England does not consider that this Planning Compliance Policy poses any likely risk or opportunity in relation to our statutory purpose, and so does not wish to comment on this consultation.</p> <p>The lack of comment from Natural England should not be interpreted as a statement that there are no impacts on the natural environment. Other bodies and individuals may wish to make comments that might help the Local Planning Authority (LPA) to fully take account of any environmental risks and opportunities relating to this document.</p>	<p>The National Planning Policy Guidance states that local plans should include strategic policies for the conservation and enhancement of the natural environment, including landscape.</p> <p>The need to deliver growth sustainably across London is a pressing issue. This includes managing waste, reducing carbon emissions, mitigating flood risk and protecting biodiversity. Over the last 10 years the Borough's biodiversity has greatly improved. However increasing development and population puts pressure on other aspects of sustainability. There are 3 Local Nature Reserves and 46 Sites of Importance for Nature Conservation (SINC).</p> <p>In accordance with 2.6 of the Planning Compliance Policy the Council will continue to uphold the current and emerging Local Plan with regards to the policies within the</p>

	development plan's suite of policies and any other material planning considerations such as the London Plan and relevant national planning policy. This includes extant policies on open spaces, biodiversity and the general protection of our environment.
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4.8 Prior to formal adoption cosmetic changes will be made to the Policy including improvements to visual appearance, layout and illustrations showing examples of recent achievements.

**5. COMMENTS OF THE CHIEF FINANCE OFFICER**

5.1 Following the completion of the public consultation process, this report seeks the approval of the Mayor in Cabinet for the Tower Hamlets Planning Compliance Policy (Appendix 1) to be formally adopted.

5.2 The Council's planning compliance team was expanded in size following the inclusion of a Mayoral Priority growth bid of £151,000 within the 2017-18 budget process. This enhanced the capacity of the team to undertake enforcement and has enabled the draft Planning Compliance Policy to be developed.

5.3 The costs of the planning enforcement process, including the issuing of notices, are met from existing approved resources, however in certain cases the Council will pursue further enforcement action through the courts, incurring additional legal costs. These will be recovered if the Council is successful in the court case but the costs of unsuccessful prosecutions will fall on the Authority. Each potential court case is assessed on its likelihood of success in order to reduce the risk that the Council will incur unrecoverable costs. In certain cases, if a breach can be linked to criminal activity, the Council might be able to recover financial resources through the Proceeds of Crime Act 2002 (see paragraph 6.19 of the draft policy), although it is considered this will not be a common occurrence.

5.4 The costs of the public consultation process have been met from within existing budgetary provision.

**6. LEGAL COMMENTS**

6.1 The report seeks the authority of Mayor in Cabinet to adopt this document: "Tower Hamlets Planning Compliance Policy". The document is not intended to be a Development Plan Document. The document sets out how the Council intends to exercise its planning enforcement function; to monitor and investigate alleged breaches of planning control; and to take action, when appropriate, in the public interest.

- 6.2 Planning compliance is discretionary and the Council is not bound to act in any particular case. Much will depend on acting reasonably, proportionately (in relation to the level of harm caused), whether it is expedient and in the public interest to act immediately and whether planning permission is likely to have been granted had an application been made. Whilst prosecution is an option open to the Council, it is rare to make an immediate intervention and in most cases the Council would wish to review all circumstances before agreeing the type of formal action it is expedient to take
- 6.3 The Council has a range of powers available to it to enforce breaches of planning legislation. Whilst the Council is not required to have a “Tower Hamlets Planning Compliance Policy”, it is good practice to do so. The exercise of compliance powers supplemented by policies and procedures that the Council has adopted helps to minimize the risk of Judicial Review and maladministration complaints and ensures that appropriate enforcement action is taken.
- 6.4 The Council does have an Enforcement Policy and this Planning Compliance Policy is supplemental to the overarching Enforcement Policy.
- 6.5 This report correctly identifies that there was no statutory requirement for the Council to consult on this policy. Having regard to the Council’s Common Law duty to consult, it was considered appropriate to do so and, such consultation followed the procedure set out in the Council’s Statement of Community Involvement for the making of a supplementary planning document as this was considered an appropriate comparison. The common law duty imposes a general duty of procedural fairness when exercising functions which affects the interests of individuals. This requires:
- (a) that the consultation be at a time when proposals are still at a formative stage and the proposals are still formative and which has happened in this case.
  - (b) the Council must give sufficient reasons for any proposal to permit intelligent consideration and response formative and which has happened in this case.
  - (c) adequate time must be given for consideration and response formative and which has happened in this case.
  - (d) the product of consultation must be conscientiously taken into account and which is the purpose of this report
- 6.6 In considering the recommendations in this report, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not (the public sector equality duty). A proportionate level of equality analysis is required to discharge the duty.



## **7. ONE TOWER HAMLETS CONSIDERATIONS**

- 7.1 One Tower Hamlets principles have been considered so far as they impact upon the adoption of the policy. The implications of adopting this policy on the protected characteristics outlined in the Equalities Act 2010 have been considered using the Council's Equality Analysis Quality Assurance Checklist and it has been considered that no further action needs to be taken at this stage.
- 7.2 Due regard for the nine protected groups will be embedded in the preparation and production of any subsequent planning compliance investigation and/or action as it is done currently.
- 7.3 Furthermore, planning compliance investigations are required to be in general conformity with the Council's Local Plan and as such will give due consideration to One Tower Hamlets considerations and the Community Plan.

## **8. BEST VALUE (BV) IMPLICATIONS**

- 8.1 Under Section 3 Local Government Act 1999 the Council 'must make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness'.
- 8.2 During the drawing up and assessment of this policy the Council has worked with the relevant interest groups and key stakeholders where appropriate, having regard to economy efficiency and effectiveness, and in conformity with statutory requirements as detailed in the TCPA (1990).
- 8.3 If adopted the policy will serve as key guidance as to our local approach to planning compliance matters and will act as an understanding between the Council and its residents as to how we intend to protect and underpin our planning policies and development control decisions.

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

- 9.1 The adoption of the Tower Hamlets' Planning Compliance Policy does not have any discernible impacts on the environment.
- 9.2 Consideration will be given to the greener environment during our planning compliance investigations.

## **10. RISK MANAGEMENT IMPLICATIONS**

- 10.1 The adoption of the Planning Compliance Policy has been reported through a number of internal groups that consider risk management issues and mitigation. These include:

- Development & Renewal Directorate Management Team
- Corporate Management Team

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

- 11.1 The adoption of the Planning Compliance Policy does not have any discernible impacts on crime and disorder.
- 11.2 At the stage where established Neighbourhood Planning Forums are developing NDPs or NDOs for the designated Neighbourhood Planning Areas Consideration will be given to the implications of crime and disorder on the built environment during our planning compliance investigations.

## **12. SAFEGUARDING IMPLICATIONS**

- 12.1 There are no specific safeguarding implications associated with this report.

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### **Linked Reports, Appendices and Background Documents**

#### **Linked Report**

NONE

#### **Appendices**

Appendix 1: Proposed submission version of the *Tower Hamlets Planning Compliance Policy*

#### **Officer contact details for documents:**

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# **Tower Hamlets Planning Compliance Policy**

**- Draft for Adoption -**

**March 2018**



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## **I. Introduction**

- 1.1 Tower Hamlets is a borough rich in history and presents a vibrant mix of old and new, a bustling community unique in culture and character. Home to over 301,000 residents with an economy supporting over 240,000 jobs, Tower Hamlets is the fourth largest employment location in London.
- 1.2 The borough's population is expected to increase to an estimated 395,000 by the end of the year 2030/31. Over the last 10 years, Tower Hamlets has experienced the fastest population growth in London and the borough has continued to transition from its industrial heritage to become a more attractive place to live.
- 1.3 The borough is experiencing incredibly high levels of growth and development activity. This is evidence by the fact that we currently have London's highest targets for new homes and jobs in the London Plan. Tower Hamlets is expected to deliver 39,310 new homes, approximately 10% of the London Plan total London Housing target, by 2025. Three parts of Tower Hamlets are defined as Opportunity Areas where most of the future growth will happen – the City Fringe, Lower Lea Valley and Isle of Dogs.
- 1.4 The Council's planning service is at the heart of managing and supporting growth Tower Hamlets deals with approximately 3,000 to 3,500 individual planning applications (across all types) each year. In 2016/17 the Council, granted planning permission for up to 7,900 new homes.
- 1.5 There is evidence of growing public concern over development that takes place without the appropriate planning permission or without proper reference to approved plans or attached planning conditions. The number of enforcement enquiries in Tower Hamlets has grown steadily over the years and the Council also recognises that public expectations in this area have increased.
- 1.6 The Council currently investigates in the region of 500 complaints about alleged breaches of planning control each year.
- 1.7 During the 2016/2017 business year we found that 35% of complaints received related to alleged breaches of planning condition including breaches of construction management plans. 12% of complaints related to commercial changes of use and 9% related to residential operational development. A key issue appears to be with regard to listed buildings in the borough with 9% of our cases involving works to listed buildings.
- 1.8 In the period between January 2015 and November 2017, the Council resolved 1,512 investigations. In a third of these cases there was no breach of planning control. 10% of cases were resolved through formal routes and 34% of cases were resolved without the need to resort to formal action or because planning permission was granted. Around 17% were closed because the Council determined it would not be expedient to pursue formal action.

- I.9 This draft Planning Compliance Policy has been prepared to set out the Council's approach to planning compliance and enforcement, and to reflect the national and local guidance as set out in *Planning Practice Guidance: Ensuring Effective Enforcement* and the *Tower Hamlets' Local Plan*.
- I.10 The draft Planning Compliance Policy sets a framework for how the Council will handle reports of unauthorised development or breaches of planning control, how any subsequent investigations will be carried out and the means by which we can seek to resolve them.
- I.11 The draft policy will set out:
- The background to planning enforcement and the scope of enforcement powers;
  - Our service standards for customers;
  - How we will priorities investigations;
  - Our approach to resolving breaches of planning control;
  - How the Council will take decisions on whether to take formal enforcement action;
  - What happens when we can't take formal action?
  - How we work with other services across the Council and external partners to deal with the effects of unauthorised development;
  - Our approach to sharing information and keeping service users informed.
- I.12 Whilst the majority of compliance work is reactive, Tower Hamlets draft Planning Compliance Policy will explain how enforcement powers can be used **proactively** as a positive planning tool to help deliver other Council objectives and priorities. This may be through area based or topic based projects, targeting particular issues of concern for our communities. The draft policy will establish the framework for making decisions on future proactive projects and initiatives.

## 2. Legislative and policy context

- 2.1 This policy has been prepared in accordance with the advice contained within the National Planning Policy Framework (NPPF) (March 2012) issued by the Department for Communities and Local Government which states:-

*“Effective enforcement is important as a means of maintaining public confidence in the planning system. Enforcement action is discretionary and local planning authorities should act proportionately in responding to suspected breaches of planning control. Local planning authorities should consider publishing a local enforcement plan to manage enforcement proactively, in a way that is appropriate to their area. This should set out how they will monitor the implementation of planning permissions, investigate alleged cases of unauthorised development and take action where it is appropriate to do so”.*

- 2.2 Powers to enforce planning controls are given by Parts VII and VIII of The Town and Country Planning Act 1990 (as amended).

- 2.3 It is important to note that the power to take enforcement action is discretionary. In practice Tower Hamlets Council resolves many alleged breaches of planning control and secure compliance with approved plans, planning regulations and policies without needing to take formal enforcement action.

- 2.4 Section 55 of the Town and Country Planning Act 1990 defines development as:-

- 2.5 *“...the carrying out of building, engineering, mining or other operations in, on, over or under land, or the making of a material change in the use of any buildings or other land”.*

- 2.6 Tower Hamlets’ current Local Plan –MDD Monitoring section, also states at paragraph M21:

*“...There are some instances where development that takes place outside planning control. This can undermine the implementation of the Council’s vision and policies and cause harm to the public interest. Therefore, when breaches of planning control come to the Council’s notice, the Council will investigate each case and, if considered expedient, will take appropriate action to remedy the breach of control with regards to the policies within the development plan’s suite of policies and any other material planning considerations.”*

- 2.7 Tower Hamlets draft replacement Local Plan has been submitted to the Secretary of State, for examination. Part 5, Monitoring and Delivery, says:

*“The Council will produce an enforcement plan that will set out in more detail how our compliance and enforcement service will be delivered and how investigations will be prioritised. Further information on enforcement and compliance activity will be published in the annual monitoring report.”*

- 2.8 The Council continues to give full weight to policies in the existing Local Plan (Core Strategy (2010) and Managing Development Document (2013)). The policies in the



draft replacement plan will gain weight as it progresses towards examination in public and subsequent adoption.

### **3. The aims and objectives of the policy**

- 3.1 The Development Management service operates in connection with the Council's statutory role as local planning authority in the regulation of the use and development of land and buildings under the Planning Acts and related legislation. Given the high levels of development activity, the Local Plan objectives to improve the quality of the environment, the need to pay special attention to conservation areas and listed buildings and to safeguard the amenity of local residents, effective planning compliance and enforcement is a priority.
- 3.2 This Planning Compliance Policy will set out how Tower Hamlets Council will use its planning compliance and enforcement powers to:
- a) *Help ensure the credibility of the planning system, and to ensure fairness for those who adhere to planning controls*
  - b) *Protect residents from the effects of unacceptable development*
  - c) *Remedy the unacceptable harmful effects of unauthorised development*
  - d) *Ensure the adopted planning policies applicable to this Borough are properly implemented.*
- 3.3 The aim of this document is to clarify and set out the Local Planning Authority's procedure for enforcing breaches of planning control. The plan will therefore ensure that officers, councillors and the general public will be aware of the approach to planning compliance and enforcement.
- 3.4 This document sets out the Council's approach to handling planning related enforcement matters. It is designed to let the public know what action they can expect when a breach of planning control is reported, where resources will be targeted and the relevant timescales that we will endeavour to meet.
- 3.5 The Council considers that helping residents and those carrying out development in Tower Hamlets to understand national and local planning legislation is a key element to effectively enforcing planning controls. As residents and developers become more informed and aware of the regulations it is hoped that less unauthorised development work will take place within the borough.

## 4. Planning compliance in Tower Hamlets

4.1 The London Borough of Tower Hamlets believes in firm but fair regulation. Underlying the policy of firm but fair regulation are the principles of:

- Proportionality in the application of the law and in securing compliance
- Consistency of approach
- Transparency about how the service operates and what those regulated may expect from the service
- Targeting of enforcement action and education

4.2 It is a well-established principle that enforcement action should be remedial rather than punitive. If there is an obvious alternative which would overcome the planning difficulties, at less cost and disruption than total removal or cessation, the authority should feel free to consider it.

4.3 Additionally it may also be appropriate to consider whether any other public authority (e.g. the highway or environmental health authority) is better able to take remedial action.

### 4.4 Proportionality

4.4.1 Proportionality means relating any formal or informal enforcement action to the level of harm caused. The action taken by the enforcing authority should be proportionate to the seriousness of any breach.

4.4.2 It is an important principle of the planning system that the use of formal planning enforcement action is a discretionary power of the Council. The planning enforcement system should not be viewed simply as a way to punish those responsible for breaches of planning control.

4.4.3 People who intentionally carry out unauthorised development undermine the planning system and public trust. Contraveners of this type will be dealt with in a firm and determined manner.

4.4.4 Others however, often carry out works genuinely without any knowledge that planning permission or other consents are required.

4.4.5 In considering any enforcement action, the decisive issue for the Council is whether the breach of planning control would unacceptably affect public amenity or the existing use of land and buildings, and therefore merit such action in the public interest.

### 4.5 Consistency

4.5.1 Consistency of approach does not mean uniformity, it means taking a similar approach in similar circumstances to achieve similar ends. The Council aims to achieve

consistency in advice given, the response to incidents, the use of powers and decisions on whether to prosecute or carry out works in default.

4.5.2 When we are considering how to resolve breaches of planning control we will take account of:

- The scale of the breach and its impact
- Matters of fact and degree
- The history of previous incidents or breaches
- Whether demonstrable harm is occurring.

4.5.3 Decisions on enforcement action are a matter of professional judgement and discretion needs to be exercised. The Planning Compliance Team will continue to develop an approach that promotes consistency including effective liaison with other Council services and enforcing authorities.

4.5.4 In some cases, planning applications can be submitted retrospectively to regularise unauthorised development and are determined in the same way as applications for proposed development. However this process does not obviate the need to ensure that the correct permissions or consents have been obtained before carrying out development.

#### 4.6 **Transparency**

4.6.1 Transparency is important in maintaining public confidence in the service's ability to regulate. It is about helping those regulated and others, to understand what is expected of them and what they should expect from the Council. It means making clear the Council has decided to take enforcement action or use other means to resolve a breach of planning control. It also means distinguishing between statutory requirements and advice or guidance about what is desirable or good practice but not compulsory.

4.6.2 To achieve this, the Planning Compliance Team will regularly publish figures on case compliance, notices served, appeal decisions received, prosecutions heard and direct actions undertaken on a regular basis.

4.6.3 The team will also continue to provide timely and detailed responses to customer and members' queries adhering to the council's given response times as stated.

## 5. Carrying out investigations

- 5.1 If you believe works that may constitute development have been carried out without the necessary planning permission (or similar consent) or are being carried out without complying with approved plans you can report this to the Council. This is known as a breach of planning control.
- 5.2 A breach of planning regulations is when any work is done without the necessary consent. Examples include:
- a developer has planning permission but is not complying with the conditions attached to their permission or is not following the approved plans or failing to submit required information before starting development
  - displaying a sign or an advert without advertisement consent
  - making a material and unlawful change to the use of a property
  - carrying out works to a listed building without consent
  - demolishing a building within a conservation area without consent
  - felling or carrying out works to a tree in a conservation area or a tree protected by a Tree Preservation Order (TPO).
- 5.3 We will investigate all reported breaches of planning control that are brought to the Council's attention. Investigations are carried out by:
- Discussing and canvassing the experiences of residents and complainants
  - Visiting the site
  - Researching the relevant planning history for the site or address
  - Contacting the owners or occupiers of the premises concerns
  - Checking other relevant records for the property, such as Council Tax or Business Rate records
  - Reviewing other sources of information, such as aerial photographs.

Once we have carried out our initial investigations we will determine whether a breach of planning control has occurred.

### **Instances where action may be taken**

- 5.4 Breaches of planning control which may require action could include:
- *Unauthorised change of use of a building or land*
  - *Development not built in accordance to approved planning permissions*
  - *Conditions of a planning permission not being met or discharged*
  - *Unauthorised works to a listed building, a property or building in a conservation area or property or building where permitted development rights have been removed (Article 4 direction)*
  - *Unauthorised extensions to a residential property*
  - *Unauthorised outbuildings*
  - *Unauthorised display of a sign or advertisement*

- *Certain engineering operations*
- *Unauthorised Satellite dishes or aerials, especially in conservation areas.*

### **Instances where we cannot take action**

5.5 In some cases the Council may be unable to take formal action against unauthorised development that is reported by members of the public. For example when:

- *The works do not constitute development under section 55 of the Town and Country Planning Act 1990*
- *The works or change of use fall within ‘permitted development’ defined by the Town and Country Planning General Permitted Development Order 2015 (as amended)*
- *An advertisement benefits from ‘deemed consent’ under the Town and Country Planning (Control of Advertisements) Regulations 2007*
- *Immunity from enforcement action has occurred by way of a use being established continuously for a period of 10 years (4 years for a self-contained dwelling) or if building works have been completed more than 4 years ago*
- *A trivial or technical breach of planning causes no harm to the local environment or the amenity of people living nearby*
- *The works are considered too minor to fall under the scope of planning control – this is known by the latin term “de-minimis”*
- *Issues solely relating to boundary positioning and land ownership disputes*
- *Retrospective planning permission has regularised a previous breach.*

5.6 Over the last three years around 7% of the cases we investigated involved development that was immune from enforcement action. For this reason, it is helpful for members of the public to report cases where unauthorised development may have taken place as soon as possible.

5.7 Where planning compliance action cannot be taken we will endeavour to help find or recommend an alternative solution to resolving the matter. This may involve forwarding the matter to any relevant council departments or by pointing to possible external bodies or remedies if apparent.

### **Heritage Assets and the Historic Environment**

5.8 The Council has duties under the Conservation Areas and Listed Building Act and the NPPF to conserve and enhance the Borough’s historic environment.

5.9 The Council has a positive strategy to managing its duty to protect and enhance Tower Hamlets’ heritage assets and historic environment to ensure that they can be appreciated and enjoyed more by both current and future generations.

5.10 The Council’s approach is set out in the Conservation Strategy 2012, the approved Conservation Area Character Appraisals and Management Guidelines and Local Plan policies.

5.12 Planning compliance and enforcement powers are important tools that can help protect the historic environment. Compliance cases involving significant heritage issues, such as demolition of buildings in conservation areas, unauthorised works to or demolition of listed buildings and structures, works to locally listed buildings, development affecting Registered Parks and Gardens and Heritage At Risk cases will be prioritised for investigation, resolution and enforcement.

## **6. Options for securing planning compliance**

6.1 The Council recognises the importance of establishing effective control over unauthorised development and will not condone wilful breaches of planning control. It must however be remembered that enforcement is a discretionary activity. Apart from some listed building and advertisements cases it is not illegal to carry out works without the relevant consent. It only becomes, illegal after the Council issue an enforcement notice and those in breach fail to comply with the requirements of the notice.

### **Expediency**

6.2 In considering whether it is expedient to take enforcement action, the Council will take into account its relevant planning policies and all other material considerations including relevant appeal decisions and case law. Consideration will also be given to the reasonable time and resources available to carry out the enforcement function.

6.3 The Council will assess whether a breach of planning control unacceptably affects public amenity or causes harm to land and buildings. The Council considers that the objective of planning enforcement is remedial not punishment and as such will encourage its officers to work with those in breach to achieve favourable outcomes without having to issue a formal notice. In about a third of all the cases we investigate, compliance is achieved through negotiation and without the need for enforcement action.

6.4 In cases where those in breach are not positively engaging with officers or fail to meet agreed deadlines, formal action will be considered and notices issued where it is appropriate to do so.

6.5 As discussed earlier in this policy document an officer will seek to work with those in breach to voluntarily resolve contraventions whenever this is possible and appropriate thereby avoiding formal action having to be taken.

6.6 This may mean informal negotiation to remedy harmful aspects of the breach in advance of the submission of a retrospective planning application. This may also lead to a reasonable extension of time to comply with planning regulations.

6.7 When this is not possible or appropriate, to obtain a satisfactory voluntary resolution to a contravention and if it is considered expedient to take formal enforcement action to rectify or resolve the breach, the main options for action are summarised as follows:

### **6.8 Enforcement Notice**

This is the usual method of remedying unauthorised development and there is a right of appeal against the notice. The use of the Enforcement Notice is an effective tool and such notices will be served fairly early on in cases that cause significant harm or where



the transgressor has made clear they are unwilling to remedy the breach. The transgressor has the right to appeal against the notice to the planning inspectorate.

#### **6.9 Section 215 Notices**

Where the condition of land or a building is adversely affecting the amenity of a neighbourhood the Council may issue a Notice under Section 215 of the Town and Country Planning Act 1990, requiring the owner or occupier to remedy the condition of the land or building. Failure to comply with the Notice is a criminal offence. The Council also has powers, where a Notice has not been complied with, to enter the land and carry out the work itself and recover the cost from the owner.

#### **6.10 Breach of Condition Notice**

These can be used as an alternative to an Enforcement Notice. There is no right of appeal against this notice to enforce a planning condition.

#### **6.11 Listed Building Notice**

This is used to remedy unauthorised works to listed building and there is a right of appeal against the notice.

#### **6.12 Advertisement Removal Notice**

These can be used to remove illegal advertisements which do not have either express or deemed advertisement consent to be displayed. There is a right of appeal to the magistrates' court.

#### **6.13 Discontinuance Notice**

Where an advertisement is being displayed with the benefit of deemed consent, a planning authority may serve a discontinuance notice on the owner and occupier of the land and on the advertiser, requiring it to be removed, where it considers the removal to be necessary "to remedy a substantial injury to the amenity of the locality or a danger to members of the public".

#### **6.14 Stop Notice**

This can be used in conjunction with an enforcement notice where the breach of planning control is causing serious harm and should only be used in extreme cases. In such cases where Stop Notices are issued the Council may be liable to pay compensation if it is later decided that the Stop Notice was not appropriate

#### **6.15 Temporary Stop Notice**

These are similar to Stop Notices (above) but take effect immediately from the moment they are displayed on a site, and last for up to 28 days. A temporary Stop Notice (e.g. unauthorised building works) would be issued only where it is appropriate that the use or activity should cease immediately because of its effect on (for example) amenity, the environment, public safety etc. It may be issued even where planning permission has been granted for development, in a case where the developer is not complying with conditions attached to the permission.

#### **6.16 Injunction**

This involves seeking an order from the court preventing an activity or operation from taking place. Failure to comply with the requirements of an injunction amounts to a criminal offence

#### **6.17 Prosecution**

In extreme cases such as demolition in a conservation area, severe damage to a listed building, the lopping, felling or destruction of a protected tree or the illegal display of an advertisement, prosecution action can be taken against the parties deemed responsible for the works.

#### **6.18 Default Powers**

The Council may enter the land and take the necessary action to secure compliance when enforcement notices are in effect. This is only used in extreme cases and when resources allow. The Council will seek to recover all costs associated with carrying out works in default.

#### **6.19 Proceeds of Crime Act 2002 (POCA)**

Confiscation orders under the Proceeds of Crime Act 2002 (POCA) are frequently used against fraudsters and drug-dealers to deprive criminals of the financial gain they have received from their criminal conduct. With a few exceptions, breaching planning control is generally not a criminal offence, but such activities can become criminal where they continue to occur in breach of a valid, effective enforcement notice. If the notice is not complied with then the LPA has a number of statutory remedies it can rely on, including prosecutions and direct action. Under POCA not only is the offender punished by forfeiting the profits attributable to the planning breaches, but the local authority receives a share of those profits.

#### **6.20 Appeals**

6.20.1 There is a right of appeal against most statutory notices issued by the Council (exceptions are Breach of Condition Notices, Stop Notices and Temporary Stop Notices). Appeals are in most cases made to the Department for Communities and Local Government (the Planning Inspectorate) or in some cases to the Magistrates' Court. When a notice is issued the recipient will also be given the necessary information on how to exercise their right of appeal.

6.20.2 During an appeal enforcement action is held in abeyance and no further action can be taken until the appeal is decided.

## 7. Our Service Standards

### Service standards if you report a breach

- 7.1 To initiate a planning compliance investigation, complaints should be made via the standard form which can be found on the Council's website ([https://www.towerhamlets.gov.uk/ign/environment\\_and\\_planning/planning/Development\\_management/planning\\_enforcement.aspx](https://www.towerhamlets.gov.uk/ign/environment_and_planning/planning/Development_management/planning_enforcement.aspx)), Council offices or can be sent out to complainants if requested.
- 7.2 Other than in exceptional circumstances, the complaint will only be investigated accepted if the complaint is fully detailed including the identity and contact details of the complainant (including home address, online contact details and relevant telephone numbers), the address at which the alleged breach of planning control has taken place, a description of the unauthorised development/use and the harm that is considered to be caused by it. Complainants will also be encouraged to send in dated context photographs of the alleged breach, in order to assist the enforcement investigation.
- 7.3 The Council will not investigate anonymous complaints as it means we cannot verify particular aspects of the complaint at a later stage. All complaints received will be treated in the strictest confidence. However sometimes in exceptional circumstances complainants may be asked to provide evidence to assist officers in their investigation to establish whether a breach of planning control has occurred. This evidence may then, with the consent, be used at appeal or as part of a criminal prosecution
- 7.4 In respect of complaints received about alleged breaches we endeavour to work to the following service standards:
- (i) *Written acknowledgements of receipt of complaint within ten working days with contact details for the case officer who will be investigating the complaint;*
  - (ii) *Other than in cases where immediate or urgent action may be required initial investigation will usually be undertaken within fifteen working days of case being registered.*
  - (iii) *In cases of reported breaches of planning control involving serious and/or irreversible harm, the complaint will be investigated as a matter of priority, usually within 48 hours of receipt. Urgent action will be instigated to stop unlawful activity where serious harm being caused makes this appropriate. Such cases include damage or demolition of listed buildings or any other cases where there is a serious and imminent danger of harm or irreversible damage to property.*
  - (iv) *Upon definitive determination of the investigation the officer will contact the complainant with their findings. Additionally the complainant can contact the designated case officer by email or phone 4/6 weeks after receiving their acknowledgement letter. At this stage the officer is more likely to be able to inform the complainant on the progress of the investigation. Complainants can also check the Council's on-line enforcement register to see if a formal enforcement notice has been served.*

- (v) *Within 5 days working days of the decision to close an enforcement case we will work to notify the complainant where appropriate by letter or email, advising them why the case was closed. We will inform complainants of any formal action taken in a similar manner.*

### **Service standards if you have caused a breach of planning control**

- 7.5 Under normal circumstances, prior to taking formal enforcement action the officer concerned will fully and openly discuss the circumstances of the breach and where possible attempt to resolve any points of difference. We will aim to contact a person in breach following a site visit having taken place and once the necessary remedial action is determined. We aim to advise them what they are required to do in order to remedy the breach of planning control giving a reasonable timescale for remedy of the matter.
- 7.6 Should a retrospective application for planning permission be invited, the letter or email will also advise those in breach on the expected timescales for submission or remedy. In almost all cases written notification of the breach and opportunities to rectify the situation will be given prior to any action being taken. However, this may not be possible if urgent or immediate action is required.
- 7.7 When breaches appear to have occurred officers will:
- Communicate clearly to the responsible party or their planning agent identifying the problem and the measures that may need to be taken to achieve compliance.
  - In the case of formal action being authorised the contravener's rights of appeal will be explained to them
  - Where officers consider there is no significant planning harm or that harmful effects may be satisfactorily addressed by mitigation measures, the enforcement team will allow a reasonable period for the submission of a retrospective planning application to regularise a breach of planning control
  - Where initial attempts to persuade those in breach to voluntarily remedy the harmful effects of unauthorised development fail, negotiations will not hamper or delay whatever formal enforcement action may be required to make the development acceptable. Officers will be keen to see that persons in breach are pro-actively seeking to resolve breaches of planning control rather than attempting to delay matters.
  - Initiate formal enforcement powers given to local planning authorities when necessary, after being satisfied that there is a clear breach of planning control that would unacceptably affect public amenity of the existing use of land and building meriting protection in the public interest.
- 7.8 Persistent offenders and those who seek to exploit the planning process at the expense of others will be dealt with using appropriately targeted enforcement action.

### **Particular Customer Needs**

7.9 The service will endeavour to be flexible in responding to customer needs by adapting the method of operation to suit the customer. In particular, service leaflets, letters or other documents can be translated into other languages if required. Arrangements will also be made for interpreters when this is necessary.

## **8. Keeping you informed**

8.1 The Council is committed to educating and informing Members and the public in relation to the work carried out by its Planning Compliance Team. The Council will attempt to strike a balance between informing the public about planning legislation through articles in Council publications as well as publicising prosecutions and cases where direct action has been taken. It is important to highlight cases where prosecution and direct action to discourage others from breaching planning regulations and ensure the public have confidence in the enforcement service.

8.2 If you have made a complaint or if you are interested in a particular property, you can check whether formal enforcement action has commenced, for example whether an enforcement notice has been served against the property, by searching the on-line enforcement register, using the following link:

<https://development.towerhamlets.gov.uk/online-applications/>

8.3 Please note that we do not publish details of cases where investigations are ongoing without a notice being served or which have been closed without formal action.

8.4 If you need planning advice on carrying out development or works to your property, you can contact the duty planning officer on 020 7364 5009, or call in at the Town Hall, Mulberry Place. The duty planning service operates Mondays to Fridays from 9.00am to 1.00pm and is free of charge. For more complex enquiries we may recommend that you use the Council's pre-application advice service, for which there are charges depending on the scale of your proposals. More details can be found on the Council's website.

8.5 Pro-active campaigns will be used to educate the public in relation to the targeted breaches of planning control through Council publications and press releases. Local community groups may also be encouraged to assist in targeted campaigns in their particular area.

8.6 As part of the Council's commitment to being open and accountable a six monthly report will be presented to the Planning Committee regarding planning enforcement.

8.7 The planning section of the Council's website will be updated on a regular basis with relevant compliance related new stories, before and after photographs and will identify the number of cases closed and the reasons why they were closed.

## **9. Joined up working**

- 9.1 The Planning Compliance Team will seek to spearhead a cross-departmental enforcement forum with our Environmental Health teams, our Highways teams, our Licensing teams and our Building Control teams, as well as others, in order to calibrate enforcement issues and determine the most effective route of action needed to resolve multi-discipline issues.
- 9.2 The Planning Compliance Team will also seek to contribute fully to any general Council enforcement policy, plan or charter proposed.

## **10. Pro-active enforcement and compliance**

- 10.1 The main bulk of planning compliance work will be in response to complaints received. However at times we will push forward more area or topic based pro-active projects, using enforcement tools that can help to deliver wider Council objectives.
- 10.2 These projects could cover a variety of issues such as:
- Town centre improvements
  - Tackling the proliferation of unauthorised advertisements
  - Ensuring compliance with construction management plans
  - Tackling neglected buildings or heritage at risk in conservation areas
  - Tackling the rise of short-term letting properties and other significant planning related issues.
- 10.3 The decision to undertake pro-active projects will be taken as part of the work programme for the Compliance Team, taking account of the available resources. Key factors that will be taken into account include:
- Existing or growing levels of complaints on a particular issue
  - Elected member, community and interest group advocacy
  - Cross departmental collaborative issues
  - Contributions to delivering to key Tower Hamlets strategies and objectives
  - Potential to recover the Council's costs e.g. through the Proceeds of Crime Act.
- 10.4 All proactive projects will be guided by a tailored business case and project brief detailing the extent of the project, resources required, the public benefits sought and timescales involved.

10.5 From 2018-2020, the following projects have been identified as priorities:

- Dealing with the impacts of construction and ensuring compliance with Construction Management Plans focused initially on development underway on the Isle of Dogs
- Removing unauthorised signs and advertisements to improve the appearance of our town centres (a pilot project began in spring 2017 in the Brick Lane area)
- Investigating closures and obstructions to parts of the Thames Path
- Establishing a cross-departmental framework for managing the growth in short term let properties.

10.6 The priorities set out above will be kept under review on an annual basis and the list of projects will be updated accordingly.

## **11. Benchmarking, performance and review**

11.1 The team will measure our performance against the key indicators nationally and locally.

11.2 The primary indicators measured will be used to assess throughput, decision making and improving the quality of life for residents.

11.3 The caseload of the team, including the number of cases opened against the number of cases resolved will be used to assess our throughput.

11.4 Our appeal success rate will be used to assess our decision making and how we work to investigate and follow through cases in an informed and responsible manner.

11.5 Our prosecution cases, direct actions and subsequent publicising of that action will be used to measure our efforts to take steps in order to positively improve the quality of life for our residents.

11.6 The Planning Compliance Team will step up its involvement and sharing of information and better practice via continued membership of the relevant local and national planning enforcement groups such as SEOG (Southern Enforcement Officers Group) and NAPE (National Association of Planning Enforcement).

11.7 The team will continue and enhance its close working relations with neighbouring boroughs such as Newham, Hackney, City of London, Greenwich and Lewisham in order to tackle common cross-border issues.

## 12. Equality Act 2010

- 12.1 The Equality Act 2010, which came into effect on 1<sup>st</sup> October 2010, includes a public sector Equality Duty, replacing the separate public sector equality duties relating to race, disability and sex, and also covering age, sexual orientation, religion or belief, pregnancy and maternity, and gender reassignment.
- 12.2 Part 11, Section 149 provides the following ‘Public sector equality duty’ on authorities: *“(1) – A public authority must, in the exercise of its functions, have due regard to the need to: (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.”* It is therefore necessary for the authority, in consideration of this report, as with the consideration of any other proposal, to ensure that the above requirements have been met. There are no equality issues arising from taking forward the measures set out in this report.
- 12.3 The procedures set out in this report as to resolving any breaches of planning control have been assessed in the context of the Human Rights Act and Equalities Act. The procedures to resolve breaches are considered proportionate and to be in the public interest in order to uphold the planning laws of the land and harm caused to the amenity of the area.
- 12.4 All planning compliance investigations will be taken forward in strict accordance to the public sector equality duty as detailed under Part 11, Section 149 of the Equality Act 2010.

## 13. Contacts and further information

- 13.1 Our service provides a range of supplementary planning documents, design guidelines, planning information and forms. These can be obtained by:

- Looking on the Council website [www.towerhamlets.gov.uk](http://www.towerhamlets.gov.uk)
- Emailing [planningenforcement@towerhamlets.gov.uk](mailto:planningenforcement@towerhamlets.gov.uk)

Telephone 020 7364 5009

- By writing to us or visiting us at:

Planning Compliance Team, London Borough of Tower Hamlets Council, 2nd Floor  
Mulberry Place, Clove Crescent, London E14 2BG



13.2 If you think someone may have contravened planning regulations:

- You can fill in an enforcement form (Word) and send it by email to [planningandbuilding@towerhamlets.gov.uk](mailto:planningandbuilding@towerhamlets.gov.uk)
- Alternatively, call us on 020 7364 5009.

Details you may be asked to provide:

- Your name and contact details (email addresses are accepted) - mandatory
- When the building works or activities started
- Location of the site
- Photographs and approximated measurements
- Names, addresses and contact details of the owners or other people involved (if known)
- What affect the work or activity is having (e.g. noise, traffic, smells, overshadowing etc).

### **Confidentiality**

13.3 If you have reported a breach, details of your identity will be kept confidential insofar as the law will permit us to do so.

Your name and address will not be revealed to the person or organisation involved in the possible breach. In certain cases, you may be asked to assist us by providing evidence at an appeal or in court. Before this happens, we will ask for your consent. If an appeal is lodged or a case goes to court, any representations received usually become public documents that are available for public inspection.

### **Duty Planner**

13.4 Additionally a duty planner service operates from 9.00am to 1.00pm Mondays to Fridays and is available on a “drop-in” basis, free of charge at Tower Hamlets Town Hall.

13.5 The Town Hall has full access for disabled people and induction loops in the general reception area. If you need any help getting into the building, please let us know beforehand and we will make arrangements to help you.

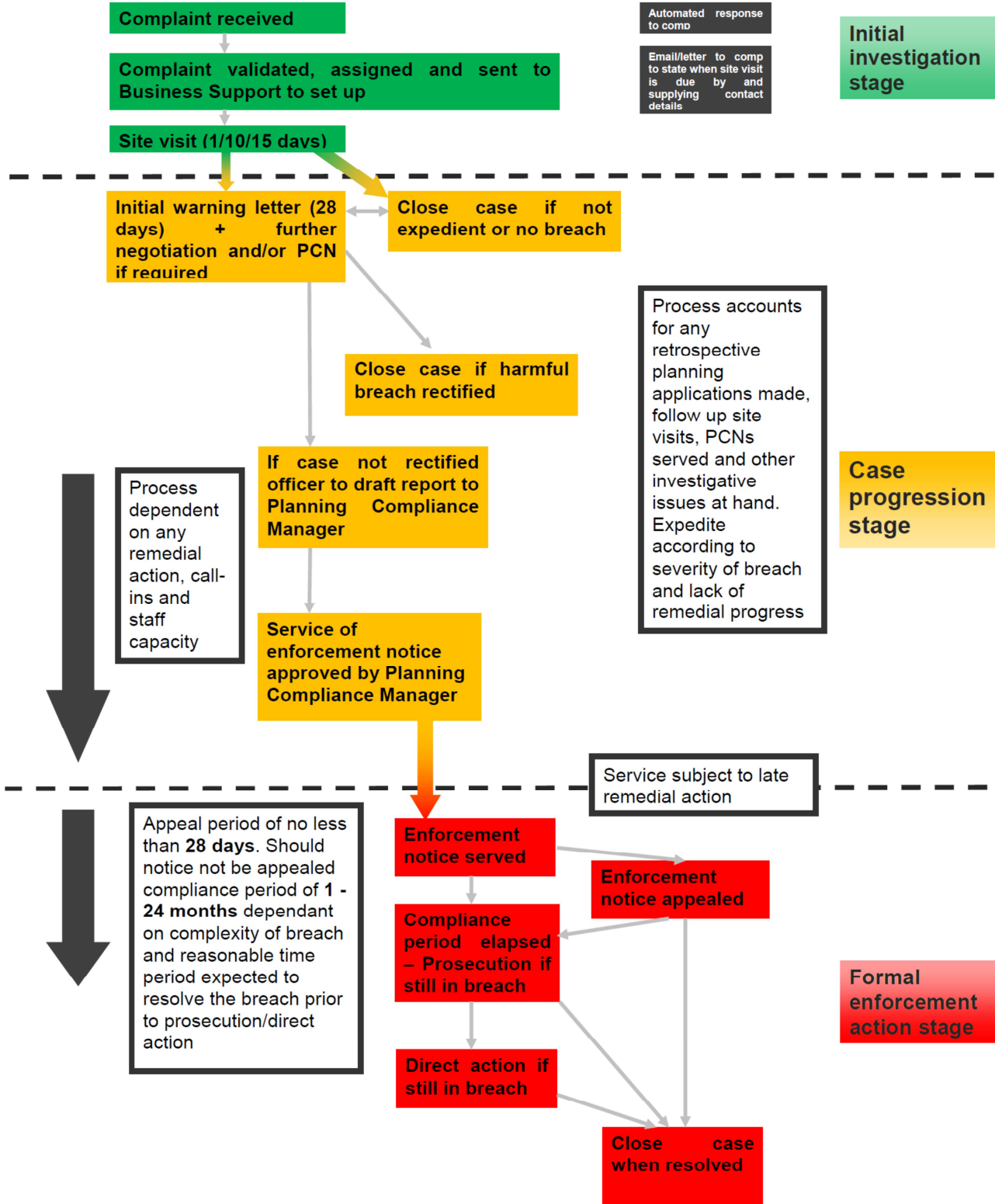
13.6 If you need this document in Braille, large print, audio tape, or another language, please contact us on + 44 (0) 20 8430 6291

## Appendix I Indicative service targets


<b>Action</b>	<b>Standard Targets</b>	<b>Non-standard targets for urgent or exceptional cases</b>
Register and acknowledge all written complaints	5 working days	1 working day
Carry out initial investigation	Within 15 working days of case being registered	Within 2 working days of case being registered
Customers to contact case officer either by email or on the phone	4-6 weeks after receiving acknowledgement letter	4-6 weeks after receiving acknowledgement letter
The complainant to be informed of the outcome of the case where appropriate	Within 10 working days of case being resolved, where appropriate	Within 10 working days of case being resolved, where appropriate

# Appendix 2 Investigation process

## PLANNING ENFORCEMENT INVESTIGATION PROCESS (FLOW CHART)



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<p><b>Cabinet</b></p> <p>20 March 2018</p>	 <p><b>TOWER HAMLETS</b></p>
<p><b>Report of:</b> Zena Cooke – Corporate Director of Resources</p>	<p><b>Classification:</b> Part Exempt (Appendices)</p>
<p><b>Renewal of Leaseholders Building Insurance Renewal of Insurance for Motor fleet, Commercial Property, Crime &amp; Fidelity Guarantee, Engineering Inspection, Business Travel &amp; Personal Accident, School Journeys</b></p>	

<b>Lead Member</b>	<b>Councillor David Edgar, Cabinet Member for Resources</b>
<b>Originating Officer(s)</b>	Sid Exley, Insurance Manager
<b>Wards affected</b>	All Wards
<b>Key Decision?</b>	Yes
<b>Community Plan Theme</b>	<b>One Tower Hamlets</b>

## Executive Summary

This report contains two **Restricted Appendices**. This is because the Appendices contain the tendering information submitted by the bidders under all the insurance lots. The information is commercially sensitive and should therefore be considered Exempt Information for the purposes of the Council's Constitution. Its release could mean that the Council becomes liable for damages to the bidders. Therefore, the public interest in maintaining the exemption outweighs the public interest in releasing the information into the public domain.

The Council's Procurement Procedures require a report to be submitted to Cabinet, laying down a forward plan of supply and service contracts over £250,000 in value. This report sets out the outcome of the procurement process to re-let a number of insurance contracts.

## Background

Tower Hamlets is a member of the Insurance London Consortium (ILC), comprising of nine London boroughs including, Croydon, Lambeth, Harrow, Kingston, Islington, Sutton, Camden and Haringey. The ILC was set up with the joint aim of improving financial risk management across for all its members and for securing better value insurance and related services. Tower Hamlets has participated in other joint tenders for insurances via the ILC, which have resulted in an improvement in both premium rates and extent of cover for the Council.

The above contracts were tendered in association with ILC and Cabinet approval is sought to let the contracts for a period of five years.

## **Recommendation**

The Mayor in Cabinet is recommended to:

1. Authorise the Corporate Director of Resources to award the leaseholders building insurance, insurance for motor fleet, commercial property, crime & fidelity guarantee, engineering inspection, business travel & personal accident and school journeys contracts in line with this report.

### **1. REASONS FOR THE DECISIONS**

- 1.1 The Council's Procurement Procedures require submission of a report for contracts for Cabinet consideration, and it is a requirement of the Constitution that "The contracting strategy and/or award of any contract for goods or services with an estimated value exceeding £250,000, and any contract for capital works with an estimated value exceeding £5,000,000, shall be approved by the Cabinet in accordance with the Procurement Procedures". This report fulfils these requirements for contracts to be commenced on 1st April 2018.

### **2. ALTERNATIVE OPTIONS**

- 2.1 Bringing a consolidated report on contracting activity is considered the most efficient way of meeting the requirement in the Constitution, whilst providing full visibility of contracting activity; therefore no alternative proposals are being made.

### **3. DETAILS OF REPORT**

- 3.1 The Council is responsible for providing buildings insurance cover for its leasehold stock, by way of covenants in all active lease agreements (GLC lease and LBTH lease). The applicable insurance premium and a £10 admin fee (for the cost of administering the policy) are then recharged to leaseholders via an annual service charge. The insurance policy is a 'block policy' i.e. it covers all leasehold properties required and, due to the total value of the contract, is subject to OJEU procurement regulations.
- 3.2 The current Long-Term Agreement (LTA) was entered into in 2015, when a two-year arrangement (with the option to extend for an additional year) was agreed, following a full tendering exercise. This agreement will cease on 31st March 2018.
- 3.3 As a member of the Insurance London Consortium (ILC) the Council participated with the ILC in a joint tender for leasehold buildings insurance. The contract is to run for a period of 5 years considering that an insurance contract of this length usually achieves more favourable insurance terms. To facilitate the procurement AON Ltd were appointed as the Council's broker and to act as the ILC's insurance and procurement advisors. AON have conducted extensive market research to ascertain the best route to market

and have advised to re-tender via an OJEU compliant Open Tendering process, which was accepted.

- 3.4 Through the combined and focused purchasing power of the insurance London Consortium, the outcome of the procurement exercise and subsequent consideration of award of contract the council will meet the objective of improving value for money for its leaseholders and support the broader council priorities.
- 3.5 Leasehold properties in this context are those that have been sold to council tenants on a right to buy basis. Whilst these properties are therefore owned by 3<sup>rd</sup> parties, as the majority adjoin council owned properties (e.g. in a block of flats) they are sold on the basis that the council will arrange building insurance cover for the property (excluding contents – which can be purchased by leaseholders voluntarily). This ensures that the council is not exposed to un-insured risk, and includes common parts such as stairwells and hallways and alleviates any administrative issues around leaseholders arranging their own insurance.
- 3.6 Croydon, as the lead authority for the ILC conducted the tender and provided advice and support in the evaluation and award elements of the contract letting process. The contract will be managed by Croydon on behalf of the ILC in conjunction with AON. Tenders for the provision of the leasehold building insurance were requested through the Official Journal of the European Union (OJEU). The contract will be for a five year fixed-term period from 1 April 2018 to 31 March 2023. The approximate value of this contact is £14.8m (excluding IPT).
- 3.7 A review of our premium history and charges to leaseholders shows that for the last 10-years Tower Hamlets has benefitted from very low premiums. Until 2017 premiums have remained exceptionally steady, with a slight increase in premiums in two out of the ten years and in four years the premiums did not change at all. Against this backdrop premiums have now risen considerably from an increase in the value of the claims experience. The total premium paid in 2017/18 was £1.611M per annum (excluding Insurance Premium Tax) and this will increase to £2.960M per annum from 1 April 2018. The majority of the ILC Consortium members have experienced similar increases over the last 5-years and we are now comparable with other ILC members.
- 3.8 To protect our leaseholders from financial exposure arising from unforeseen incidents. The policy provides for total loss arising from fire, flood, explosion, terrorism, accidental damage, property owner's liability and alternative accommodation. The policy excess is £50 in the event of any one claim.

#### **Consultation (to date)**

- 3.9 The Notice of Intention, under Section 20, Landlord and Tenant Act 1985, sent to all leaseholders on 18th September 2017, made clear that our

intention was to obtain the best deal possible on behalf of leaseholders on a fair balance of cost, cover and service.

- 3.10 The consultation started from the date the notice was issued and asked that leaseholders provide any comments on our proposal within 30 days (by 21st October 2017). We received a total of 42 consultation responses from a total of 9,551 leaseholders who were consulted, however a number of these were not related to the proposed tender and were general leasehold queries, which have been duly passed to Tower Hamlets Homes where necessary.
- 3.11 The total number of relevant consultation responses was 13 and each of these received a response, at the minimum confirming we have noted their comments, but generally providing further information to allay any concerns raised.
- 3.12 The tender approach was not changed in light of any of the comments raised by leaseholders. The OJEU notice was posted on 4th September 2017. The second stage of the consultation is underway and will be completed by the 26<sup>th</sup> March 2018. To ensure the deadlines are met we plan to respond to leaseholders as enquiries are received and have made arrangements to consider the enquiries informing our decision to enter into contract.
- 3.13 The tender results and analysis are in the attached restricted appendix.

#### **Multiple Insurance Tenders Renewal**

- 3.14 This element of the procurement was structured into the following lots for all ILC members: -
- Lot 1 Motor Insurance
  - Lot 2 Commercial Property Insurance
  - Lot 3 Crime Insurance
  - Lot 4 Engineering/Inspection Insurance
  - Lot 5 Business Travel/PA Insurance
  - Lot 6 School Journey
- 3.15 The current insurance policies expire on 31st March 2018. The new contract will be for a five year fixed term from 1st April 2018 – 31st March 2023. The Council is responsible for paying the annual insurance premium to the insurer for Lot 2 and Lot 6. Commercial property owners and Schools are then re-charged for their own apportioned element of the premium. The cost of the remaining lots is borne by the Council.
- 3.16 All ILC members participated in the procurement exercise, although the insurance arrangements and prices are specific for each ILC member according to their own individual insurance requirements and claims experience. These arrangements mean there is no cross sharing of risk across ILC members.



- 3.17 The procurement process was for Croydon Council, as the lead authority, to conduct an OJEU 'Open' tender process on behalf of the ILC in accordance with the Public Contracts Regulations 2015. As with the leasehold tender, AON Ltd, who are the Council's broker and also act as the ILC's insurance and procurement advisors conducted extensive market research to ascertain the best route to market and have advised to re-tender via an OJEU compliant Open Tendering process.
- 3.18 The funding for insurance premiums sits within the insurance fund. Whilst there is a cost element involved in the project, for example running of the tender exercise, it is spread equally amongst all of the ILC members and is therefore minimal for the participants. The project has also fixed premiums going forward in order to reduce the risk of year on year increases, with five year long-term agreements reducing future procurement costs. The contract will be from 1 April 2018 to 31 March 2023. The contract sum for all lots is expected to be £1.6m (excluding IPT).
- 3.19 The tender results and analysis are in the attached restricted appendix

#### **4. COMMENTS OF THE CHIEF FINANCE OFFICER**

- 4.1 The current procurement contract for Insurance is due to expire in March 2018. This report sets out the outcomes from tender exercises undertaken through the current Insurance London Consortium (ILC) mechanism and covering the next 5 year period.
- 4.2 The Council adopted an approach to seek value for money by engaging with other Local Authorities to jointly procure insurance contracts. This report sets out the arrangements that have been put in place. The premiums associated for leasehold tender are fully recharged to leaseholders as part of their annual service charge and the commercial property insurance & school journey premiums are also recharged to businesses and schools respectively. For lots 1, 3, 4 and 5 as set out above at paragraph 3.9, the annual premium is £271,345 per annum. The cost of these policies is borne by the Council and budgetary provision exists to provide for this cost.

#### **5. LEGAL COMMENTS**

- 5.1 The procurement process as detailed in this report meets the requirements of the Council's Contract Procedure Rules, EU procurement requirements and the Council's duty to secure best value under the Local Government Act 1999.
- 5.2 The Council may be satisfied that the prices it has received are the best available in the market place at the current time as the tendering opportunity was presented Europe wide.
- 5.3 Six companies were invited to bid for the leaseholder insurance tender. However, two declined to bid. Of the remaining four, two companies submitted bids that were not compliant with the rules of the tender. Under

European and Domestic law the Council had to discount both non-compliant bids from being evaluated.

- 5.4 Of the remaining two bids, the highest scoring tender is recommended for award in accordance with the pre-published evaluation criteria and the Council is entitled to consider the market appropriately tested under the prevailing law.
- 5.5 Consultations have been, and will continue to be carried out with leaseholders and tenants associations in accordance with the Landlord and Tenant Act 1985 ('the 1985 Act'). Paragraphs 3.5 to 3.7 of the report refer to the consultation has been undertaken and this complies with section 20 of the 1985 Act and the requirements of schedule 2 of the Service Charges (Consultation Requirements) (England) Regulations 2003 in respect of the Notice of Intention.
- 5.6 The Consultation now underway is in respect of the notification of the landlord's proposal. This requires notice be given to each tenant; and where a recognised tenants' association represents some or all of the tenants, to the association. Where the Council receives observations to which it is required to have regard, it shall, within 21 days of their receipt, by notice in writing to the person by whom the observations were made, state the Council's response to the observations.

## **6. ONE TOWER HAMLETS CONSIDERATIONS**

- 6.1 Equalities and diversity implications – and other One Tower Hamlets issues – are addressed through the tollgate process, and all contracting proposals are required to demonstrate that both financial and social considerations are adequately and proportionately addressed. The work of the Competition Board and the Procurement & Corporate Programme Service ensures a joined-up approach to procurement.

## **7. BEST VALUE (BV) IMPLICATIONS**

- 7.1 It should be noted that the tender value for each ILC member was priced according to their individual insurance requirements and claims experience, and therefore there is no cross sharing of risk. Consultation was undertaken with the counterparts at the other London Boroughs involved in the ILC in order to ensure that all requirements were met.

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

- 8.1 Not applicable.

## **9. RISK MANAGEMENT IMPLICATIONS**

- 9.1 Risk management is addressed in each individual contracting project, and assessed through the tollgate process. By running this procurement exercise,

we have mitigated our risk of running out of these vital and absolutely necessary insurance policies.

**10. CRIME AND DISORDER REDUCTION IMPLICATIONS**

10.1 There are no specific crime and disorder reduction implications.

**11. SAFEGUARDING IMPLICATIONS**

11.1 Risk of delivery of services by the recommended providers has been assessed with the supplier's financial status and standing being ascertained through the assessment of the market security overview of our professional advisors and continually monitored throughout the term of the contract.

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**Linked Reports, Appendices and Background Documents**

**Linked Report**

- None

**Appendices**

- Appendices 1 and 2 – Tollgate Information (Exempt from publication)


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

- NONE
- 

**Officer contact details for documents:**

N/A

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<p><b>Cabinet</b></p> <p>20 March 2018</p>	 <p><b>TOWER HAMLETS</b></p>
<p><b>Report of:</b> Will Tuckley, Chief Executive</p>	<p><b>Classification:</b> Unrestricted</p>
<p><b>Best Value Improvement Plan 2017/18 Year-End</b></p>	

<b>Lead Member</b>	<b>Mayor John Biggs</b>
<b>Originating Officer(s)</b>	William Tompsett, Senior Strategy, Policy and Performance Officer
<b>Wards affected</b>	All Wards
<b>Key Decision?</b>	Yes/No
<b>Community Plan Theme</b>	<b>All</b>

### Executive Summary

This report provides an update on the delivery of the Council's Best Value Improvement Plan 2017-18. The report builds on the in-year updates and submissions to the Secretary of State and details the continuous progress against the five areas of Communications, Property, Elections, Organisational Culture and Grants and the 26 actions found within the Improvement Plan.

### Recommendations:

The Mayor in Cabinet is recommended to:

1. Consider and comment on the draft update report attached as Appendix 1.
2. Consider and agree any revised milestone timescales in the Improvement Plan attached as Appendix 2.

### 1. REASONS FOR THE DECISIONS

- 1.1 The Directions from the Secretary of State for Department of Communities & Local Government (DCLG) requires the Council to submit quarterly update reports. The fourth quarterly update report will be submitted on 30th March 2018.

## **2. ALTERNATIVE OPTIONS**

- 2.1 To take no action. This is not recommended as this update is required as part of the Directions from the Secretary of State for DCLG and is part of the organisation's overall commitment to improve and develop the work of the Council.

## **3. DETAILS OF REPORT**

- 3.1 The Council as part of its final submission to the Secretary of State for DCLG submitted a Best Value Improvement Plan 17-18 and outlined proposals to set up a Best Value Improvement Board to drive sustainable improvement across the organisation by providing oversight, support and challenge. Following the Secretary of State revoking the previous Directions and the removal of the Commissioners involved in the governance of the Council, the Secretary of State issued new Directions which will be in force until 30<sup>th</sup> September 2018.
- 3.2 In line with the new Directions the Council has undertaken the following:
- Submission of quarterly reports on all outstanding actions in the Best Value Action Plan and Best Value Improvement Plan 2017-18 to the Secretary of State with the third update submitted in January 2018;
  - Set up a new Best Value Improvement Board, chaired by the Mayor, with cross party representation and external representatives to provide suitable challenge to improve all Council activities;
  - Developed proposals for an independent review of achievement against the Best Value Action Plan and Best Value Improvement Plan 2017-18. This will be undertaken with the LGA in the form of a Corporate Peer Review and is planned for June 2018.
- 3.3 The Best Value Improvement Plan 2017-18 has five key priority areas comprising 26 strategic actions. These priority areas are a continuance of those found in the Best Value Action Plans arising from the original Secretary of State's Directions. The Plan demonstrates continued implementation where previous activities could not be implemented before the Directions expired as well as continued improvements.
- 3.4 The Best Value Improvement Plan sits within an Improvement Framework which outlines the work streams the Council is delivering to become an 'excellent modern council'. This includes the work being driven by the Children's Services Improvement Board led by an independent Chair, an internal time limited Adults Improvement Board and new improvement areas of customer services and Organisational culture as reported to the Board at the last meeting.
- 3.5 Cabinet on 19<sup>th</sup> December 2017 received a report detailing the progress the Council has made in becoming a more open and transparent organisations with ongoing work that will help to:

- Continuously provide opportunities for the public to hold the Council to account , whilst also ensuring that it always holds itself to account;
  - Provide quality data, which is clear, easy to understand and accessible;
  - Involve residents in the design and delivery of services enabling a more open and collaborative approach to Council business.
- 3.6 The latest Annual Residents Survey shows residents perception of the Council is improving with 79% saying they trust the Council and 59% agreeing the Council is open and transparent. We also saw an 11 points increase to 68% of residents feeling the Council listens to their concerns and a 9 points increase to 58% of residents agreeing that the Council involves them in the decision making.

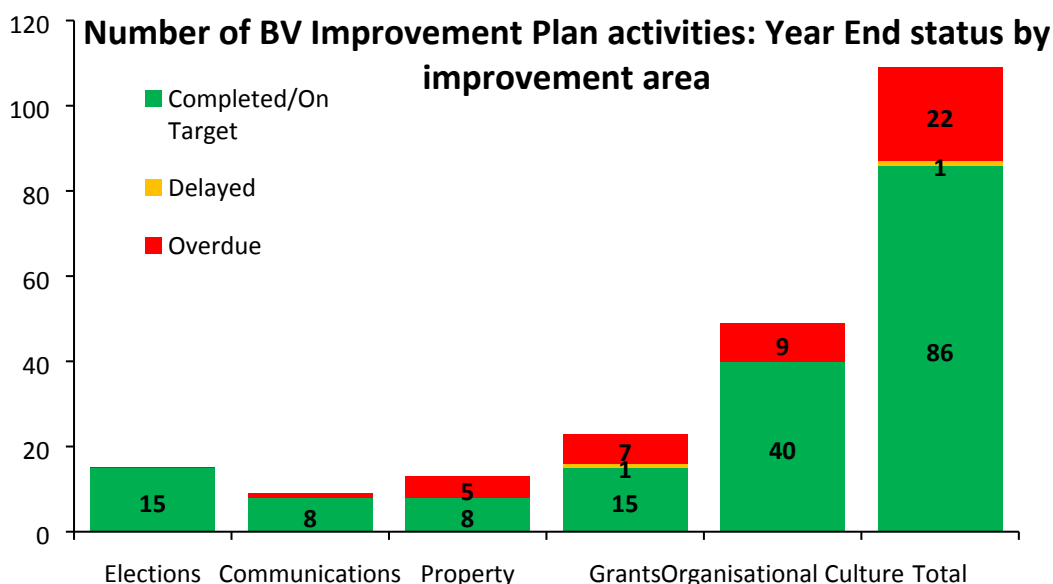
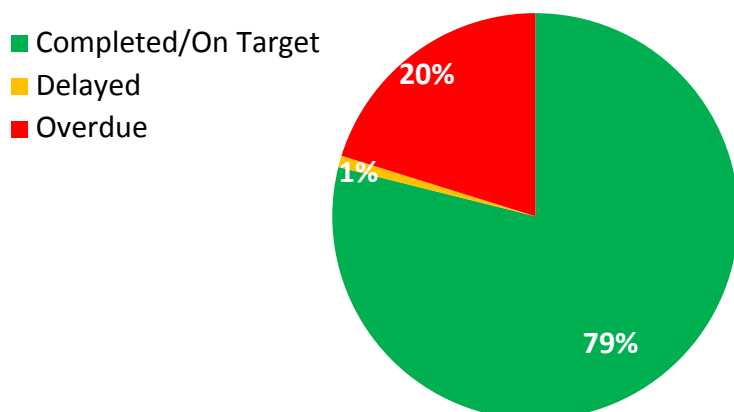
#### **4 20017/18 PROGRESS AGAINST BEST VALUE IMPROVEMENT PLAN**

- 4.1 During the first year of the Best Value Improvement Plan the Council has delivered the majority of the short-term and medium-term milestones and where there are any delays a revised plan has been set out. Work on the longer-term milestones are on-going with plans for delivery over the next financial year. Regular updates on progress are provided to the Corporate Leadership Team and Members and all activities have been incorporated within individual Directorate Plans to ensure focus remains on delivery.
- 4.2 Elections - The Council published a revised Register of Electors in December 2017 and is meeting regularly with partners to plan the Mayoral and local elections for 2018. Location for the count and enhanced security measures for all polling stations has been agreed with the police. A comprehensive count plan is being developed alongside mandatory training and guidance for all count staff and poll clerks. Mandatory training is planned for all count staff, poll clerks and presiding officers and improved communication on voting processes is being made available. The Council has also agreed to pilot an enhanced Postal Voting Scheme with the Cabinet Office which will include increased security and guidance as well as sample checking.
- 4.3 Communications - The communication infrastructure has been improved considerably over the last year with the development of a Communication Strategy for 2017/18. Internal communications have been enhanced by the introduction of a weekly staff email newsletter that sees continual growth in its readership and interaction with articles. The use of dedicated poster sites and 12 plasma screens in the Town Hall ensure key messages and updates for staff are seen. Also, an intranet project manager was appointed to drive the effectiveness of this media. Improvements in external communications include the completion of the media consumption survey which is being used to develop future work and ensure we can reach different audiences effectively. The survey provides a range of intelligence including areas where can further develop its communication work. We have seen significant increase in the number of residents signed up to our e-newsletter and with the segmentation of this we will be able to target information to residents according to their interests.

- 4.4 Property – A total of four sites have been identified for use as Community Hubs. The first was launched in September 2017 and work is progressing to deliver the rest over the next two years. The Council continues to manage its assets through the revised governance structure and use vacant buildings for housing and commercial use. A review of depot provision across the borough is being undertaken and specialist consultants have been appointed to conduct a feasibility study for this which is due to be completed in April 2018.
- 4.5 Grants - A new approach to grants management is being developed in partnership with the local voluntary and community sector. The system mapping of requirements to improve management reporting, information management and analysis of the new GIFTS software was completed. The Mainstream Grants Programme is monitored quarterly by the Grants Scrutiny Committee and Grants Determination Committee. An audit has been completed of the grants monitoring process and recommendations arising from this will be taken forward.
- 4.6 Organisational Culture - Revised core values have been agreed by senior management and communicated to all staff through range of engagement events across different Council sites. A staff survey and wellbeing survey were carried out in 2017/18. A refreshed Member/Officer Protocol is now in place and work is being undertaken raise awareness and implementation. A revised Whistleblowing Policy was also agreed and launched. This will now be a mandatory training requirement for all staff in the new Learning Management System. The Transformation Programme engaged staff through conversation groups and other wider staff engagement.
- 4.7 The Tower Hamlets Summit was held in January 2018 and brought together a wide variety of partners and stakeholders to gather views and conversation around the content and focus for the new Community Plan being developed with The Tower Hamlets.
- 4.8 The charts below show the reported progress against the 109 milestones in the Best Value Improvement Plan which are still active. In order to ensure consistency in the reporting of the status of key milestones the following criteria have been applied:
- **On Target** – where the key milestone will be achieved by the deadline
  - **Completed** – Where the key milestone has been achieved by the deadline
  - **Delayed** – where the key milestone has not yet been completed but will be completed within a month of the original deadline
  - **Overdue** - where the key milestone has been delayed by more than a month from the date of the original deadline



## BV Improvement Plan activities : Overall Year End Status



## 5. COMMENTS OF THE CHIEF FINANCE OFFICER

- 5.1. The Best Value Improvement Plan is a priority for the Council, and requisite resources have been identified within the budget in order to deliver the outcomes. Any additional resources required to deliver any of the activities will need relevant authority before commencing.

## 6. LEGAL COMMENTS

- 6.1 The Council is a best value authority within the meaning of Part 1 of the Local Government Act 1999. As a best value authority, the Council has an obligation 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).

- 6.2. Where the Secretary of State is satisfied that an authority is not meeting its best value duty, the Secretary of State may: (1) direct the authority to take action to bring itself into compliance with that duty; (2) direct that specified functions be carried out by the Secretary of State or a nominee and that the authority follow the Secretary of State's instructions and provide such assistance as may be required (Local Government Act 1999). In accordance with this power the Secretary of State gave directions to the Council on 17 December 2014, 29 April 2015 and 6 May 2015. Revised directions were also given on 16 January 2017.
- 6.3. These Directions were revoked by letter from the Secretary of State dated 28th March 2017 and which removed the DCLG Commissioners on 31 March 2017. This letter set out fresh Directions and which are in force until 30 September 2018.
- 6.4. The directions are enforceable by the Secretary of State, who may seek an order in the High Court requiring the Council to remedy any breach. Under the current circumstances, it is appropriate for the Council to take steps to comply with the directions and to monitor its compliance with the directions. The report relevantly informs the Board of progress and timescales.
- 6.5. When taking action in response to the directions, 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). Compliance with this duty has been a feature, to the extent relevant, of the Council's action in response to the directions.
- 6.6. There are no immediate legal implications arising from this report.

## **7. ONE TOWER HAMLETS CONSIDERATIONS**

- 7.1 The current update on the Best Value Improvement Plan for 2017-18 continues to strengthen local community leadership through controls being given back to democratically elected local officials and residents. Equality and fairness considerations also remain at the core of delivery.
- 7.2 The Grants element of the BVIP 2017-18 is one example of where the Council has been able to encourage local community leadership via the Grants Scrutiny Sub-Committee, as well as the involvement of the voluntary sector in the commissioning of services.
- 7.3 Ongoing development of the Council's communications strategy is also creating increased access to the Council's delivery of services for all residents, opening the doors for further community involvement in the Council's work.

## **8. BEST VALUE (BV) IMPLICATIONS**

- 8.1 Section 3 of the Local Government Act 1999 requires the Council as a best value authority to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness”. Delivering the Best Value Improvement Plan is an important way in which that obligation can be fulfilled.

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

- 9.1 There are no direct implications from this report on a sustainable environment

## **10. RISK MANAGEMENT IMPLICATIONS**

- 10.1 Delivering the actions within the Best Value Improvement Plan will mitigate risks to the Council in delivering best value and future Directions.

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

- 11.1 There are no direct crime and disorder reduction implications arising from this report.

## **12. SAFEGUARDING IMPLICATIONS**

- 12.1 There are no direct safeguarding implications arising from this report.

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## **Linked Reports, Appendices and Background Documents**

### **Linked Report**

- None.

### **Appendices**

- Best Value Improvement Plan 2017-2018 Year-End Summary review
- Best Value Improvement Plan 2017-2018

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

- None.

### **Officer contact details for documents:**

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# BEST VALUE IMPROVEMENT PLAN 2017- 2018 YEAR END REPORT

## 1 Introduction

The Council is pleased to provide an update on the progress made in implementing the Best Value Improvement Plan 2017-18 as required under the Directions of March 2017. The Best Value Improvement Plan 2017-18 includes 26 strategic actions against the five areas of: Property, Elections, Organisation Culture, Grants and Communications.

This report notes that over the last year a large number of milestones have been completed and where any are overdue or delayed a revised plan has been developed to ensure delivery. This demonstrates the focused determination of the Council in delivering continuous improvement and provides the Council with momentum as it works to deliver the remaining milestones in the plan.

## 2 Summary of key achievements

A summary of key achievements for 2017/18 is detailed below:

- Review of UK Parliamentary Government Election delivery completed and lessons learnt will be incorporated for the 2018 elections;
- The Council has agreed to take part in a Cabinet Office Pilot on Postal Vote which will lead to improvements in security and guidance;
- Regular review and planning meetings with Police and Electoral Commission and other partners are taking place for the 2018 Mayoral/borough elections on an on-going basis now resulting in a stronger approach to identifying and tackling potential issues;
- New Communications strategy adopted and major campaigns launched throughout the year;
- A weekly staff e-newsletter has been introduced with continually growing open rates throughout the year;
- A media consumption survey was held and results used to target communication information more effectively to different audiences;
- New Statutory Notice Publication Scheme established;
- 4 Community Hub sites have been identified with feasibility work undertaken and costings finalised for two so far. The opening of the second hub is expected to take place in April 2018;
- Planning consent granted to convert vacant community buildings to residential use for transfer to Tower hamlets Homes/Homelessness Services;
- A review of depot provision across the borough is being undertaken and specialist consultants have been appointed to conduct a feasibility study;
- Comprehensive review of Third Sector Team completed;
- The Grants Scrutiny Sub-Committee has met regularly throughout this municipal year to consider a range of Grants Decision Reports and MSG monitoring

reports. The Committee is currently planning an in-depth review into grant spending on organisations that provide physical activities for young people;

- All Community Cohesion contracts have now been mobilised and are delivering with a view to bring successful contract timelines in line with MSG grants enabling them to be considered and co-produced as part of the future grants/commissioning process;
- Clear Up Project report went to Council in July 2017 with updates and actions reported through the year;
- Staff Survey and Wellbeing Surveys completed;
- Year one of the Smarter Together Programme completed as planned
- Reports outlining revised Council Procedure Rules and Member/Officer Relations were approved by Council on 22 November 2017;
- Planning Code of Conduct reviewed and updated;
- A Report went to GPC on 12 October 2017 and then Audit Committee on 16 November 2017 with a revised Whistleblowing Policy, Procedure, Guidance for Managers and Guidance for Investigators as well as an Action Plan for the implementation of a more effective whistleblowing framework;
- The Corporate Peer Challenge proposals were agreed by the Best Value Improvement Board at their last meeting. Planning for this is currently underway and will be held in June 2018;
- A Members Seminar was jointly delivered with the LGA on Members' role in Children's Services.

## Best Value Improvement Plan Summary

### ELECTIONS: Progress Summary

The Council has delivered a number of successful elections and referendum since 2015 which include:

- UK Parliamentary Election May 2015
- Election of Executive Mayor June 2015
- Election of Mayor of Tower Hamlets and Greater London Authority elections May 2016
- EU Referendum June 2016
- Whitechapel ward by election December 2016
- UK Parliamentary Election May 2017

Key achievements 2017/18	Measurable outcomes for existing work	Areas where work continues to progress
<ul style="list-style-type: none"> <li>• Published revised Register of Electors on 1<sup>st</sup> Dec 2017.</li> <li>• The Excel Exhibition Centre has been confirmed as the Count Centre. A site visit in March by the core management team will enable a comprehensive count plan to be prepared.</li> <li>• Regular review and planning meetings with Police and consultation work with Electoral Commission Office have taken place for 2018 Elections.</li> <li>• Police presence and increased security at all polling stations has been confirmed with the including the use of photo ID for count staff..</li> <li>• Mandatory training and written guidance is planned for all count staff, Presiding Officers and Poll Clerks.</li> <li>• Council taking part in Cabinet Office Postal Vote Pilot.</li> <li>• Comprehensive communications/engagement plan in place with a media plan being developed.</li> </ul>	<ul style="list-style-type: none"> <li>• Continued scheduling of project group and partner agency meetings. Attendees include senior officers and representatives from relevant agencies /bodies.</li> </ul>	<ul style="list-style-type: none"> <li>• Partner and management meetings will continue to be held on a regular basis.</li> <li>• Count processes to be reviewed and documented including the use of grass skirt counting method for mixed votes and improving the layout of the count venue.</li> <li>• Due to the complexity of the combined elections in 2018, mandatory face to face training will take place in April 2018</li> <li>• Recruitment and allocation of experienced staff for count and polling stations to identify further training needs and opportunities.</li> <li>• Awareness raising and publicity for 2018 elections is ongoing and a media plan will form part of the comprehensive communications/engagement plan.</li> <li>• Visual aids to be included in combined election training 2018 and for this to be made available at all polling centres to help voters with language difficulties. More work to be done by LBTH Communications Team to promote this new resource and to make voters aware of polling centre rules in particular that staff can only speak in English whilst on duty in the polling station.</li> </ul>

## COMMUNICATIONS: Progress Summary

Communications in Tower Hamlets had a history of being reactive with a heavy reliance on the Council's weekly publication, East End Life. Many of the messages and activities being communicated were determined by services' willingness and ability to pay and there was little use of insight or data to identify appropriate communication channels and support the delivery of effective communications campaigns. Since the Best Value Action Plan was introduced there has been significant progress in reforming the way the Council deals with internal and external publicity management.

Key achievements 2017/18	Measurable outcomes for existing work	Areas where work continues to progress
<ul style="list-style-type: none"> <li>• Council tax booklet completed and sent to all households.</li> <li>• Communications Strategy for 17/18 completed with major campaigns launched.</li> <li>• Internal communications improved through the placement of new poster sites and 12 plasma screens now live in the Council Town Hall, Mulberry Place. All being regularly monitored for timeliness and quality of presentation.</li> <li>• Over 1,000 marketing sites identified through an asset audit.</li> <li>• Launch and development of staff newsletter with a forward planner of articles and a range of regular updates including on Cabinet decisions, ICT improvements and Learning and Development opportunities.</li> <li>• Intranet project manager appointed and specification/project scope developed.</li> <li>• Media consumption survey has been completed and analysed to target communications better.</li> <li>• Statutory Notices contract procured and mobilised with communications sent to staff regarding the new contract and its processes via intranet article and managers' briefing. .</li> </ul>	<ul style="list-style-type: none"> <li>• Tower Hamlets Now open rate was at 50% in Q1 and has now reached average 64% (including an issue at 73%).</li> <li>• The media consumption survey has been completed and involved 943 residents. Analysis of the results has enabled us to identify gaps in service delivery and areas for improvement.</li> </ul>	<ul style="list-style-type: none"> <li>• Culture change regarding communications: a critical aspect of changing the culture is to work collaboratively with teams to determine delivery milestones related to key programmes so that they can be communicated widely to residents.</li> <li>• Progress on intelligent newsletter and new intranet site is continuing.</li> <li>• Scoping for delivery of the new intranet project and procurement to be completed in the next few months.</li> </ul>



## PROPERTY: Progress Summary

The Council owns, occupies or maintains around 860 non-HRA properties, valued at £1bn, located within the borough. The Council also owns around £800m of HRA properties (the housing element is managed and maintained by Tower Hamlets Homes (THH), the Council's arms-length management organisation) as well as a further £50m of community assets.

Key achievements 2017/18	Measurable outcomes for existing work	Areas where work continues to progress
<ul style="list-style-type: none"> <li>• All Community Buildings previously used by THH caretakers formerly handed back to Housing Management.</li> <li>• Property inspection audit completed and all actions for regularising occupations allocated to asset managers to progress as BUA.</li> <li>• 4 new Community Hub locations identified with the second due to be delivered in April 2018.</li> <li>• Planning consent has been granted for conversion to residential use for two vacant community buildings that will be transferred to Tower Hamlets Homes/Homelessness Services.</li> <li>• Temporary community use agreed for a vacant community building by the Mayor (12 months).</li> <li>• Tender process underway for additional specialists' consultancy advice for a complete review of depot provision across the borough.</li> <li>• Template for new governance arrangement prepared.</li> <li>• Vacant building in Watney Market ready for marketing with evaluation of offers scheduled for March.</li> <li>• Specialist consultants appointed to conduct feasibility study on plans for depot provision across the borough.</li> <li>• On-going work to agree occupation agreements with building occupiers.</li> </ul>	<ul style="list-style-type: none"> <li>• Heads of terms agreed for leases to 5 of the 8 nursery / playgroup properties within the CB portfolio</li> <li>• 4 Community Hubs identified</li> </ul>	<ul style="list-style-type: none"> <li>• Delivery of the remaining Community Hubs.</li> <li>• Specialist consultants have been appointed to provide additional consultancy advice for a complete review of depot provision across the borough. Work on the feasibility work has started; this is now due to be completed by April 2018.</li> <li>• Temporary community use is in place for Turin Street, approved by the Mayor, which is due to come to an end in July 2018.</li> <li>• Remaining regularisation work as a result of the audit of assets due to be completed in June 2018.</li> </ul>

## GRANTS: Progress Summary

All actions in the original Grants Best Value Action Plan have been completed. Work has been undertaken to review and develop approaches to, and processes for, grant making with the Grants Determination Sub-Committee. The Grants Scrutiny Sub-Committee continues to provide cross party member review and challenge to the grants decision making process.

Key achievements 2017/18	Measurable outcomes for existing work	Areas where work continues to progress
<ul style="list-style-type: none"> <li>• On-going delivery of the Action Plan of the Voluntary and Community Sector Strategy.</li> <li>• The Grants Determination Sub-Committee (GDSC) and Grants Scrutiny Sub-Committee continue to meet every six weeks.</li> <li>• External evaluation of the MSG Programme which has engaged a range of stakeholders.</li> <li>• Audit of grants monitoring completed.</li> <li>• New Third Sector Team structure developed with full implementation due to be completed in April 2018.</li> <li>• The system mapping of requirements to improve management reporting, information management and analysis of the new GIFTS software has now been completed.</li> <li>• Detailed and technical work is progressing to revise the business processes, streamline the system for grant awards and monitoring via the internet, ensuring accessible information and reporting for members, the VCS and the public.</li> <li>• Working collaboratively with TH CVS and the sector to develop a Grants Policy.</li> <li>• Commissioning of Community Cohesion theme completed with all contracts mobilised and delivering.</li> </ul>	<ul style="list-style-type: none"> <li>• Complete audit of grants monitoring completed.</li> <li>• 8 contracts previously grants co-commissioned with the voluntary and community sector</li> </ul>	<ul style="list-style-type: none"> <li>• There is on-going work to get greater involvement of voluntary and community sector in the co-production of commissioned services.</li> <li>• Development of a voluntary sector Compact to be finalised with the new Compact to be considered alongside the new grants policy and replacement programme for the current mainstream grants.</li> <li>• Co-production programme to produce new grants policy is underway working with TH Council for Voluntary Service. First stage to develop policy framework will be complete by Christmas and on target for consideration by Cabinet in March 2018. Second stage of co-production to develop the detailed scheme and procedures in 2018 with a view to launching the new programme early in the summer.</li> <li>• Engagement has been undertaken with Commissioners across the Council and also research on best practice examples for the comprehensive review of contract and grants and approach to commissioning. A working Group has been formed which will take forward this work and align to the development of the wider Grants Policy.</li> </ul>

## ORGANISATIONAL CULTURE : Progress Summary

Organisational culture is recognised as a key component in moving the Council forward. The aims of the Organisational Culture Plan are to: ensure that the culture of the organisation continues to be one which strives for continuous improvement; engages and invests in staff; ensures relationships between groups of members and between members and officers are professional, respectful, open and honest and rebuild trust in the areas where this has, or is perceived to have, broken down.

The key outcomes we are looking to achieve are:

- Staff engaged with and committed to delivering the Council's vision and priorities;
- Improved clarity and understanding of formal roles and responsibilities of the Executive, non-Executive and senior officers of the Council in a Mayoral system;
- Effective working relationships between elected members, and between elected members and senior officers, to enable all to work together to achieve the best outcomes for Tower Hamlets and its residents;
- A shared commitment to a set of agreed behaviours and cultural values to underpin formal roles and responsibilities;
- A sustainable approach to maintaining and refreshing this shared commitment.

Key achievements 2017/18	Measurable outcomes for existing work	Areas where work continues to progress
<ul style="list-style-type: none"> <li>• Revised core values agreed by senior management and communicated to all staff through range of engagement events across different Council sites.</li> <li>• Reorganisation of the top 3 tiers implemented.</li> <li>• Independent review of industrial relations completed with actions recommended.</li> <li>• Leadership development programme established, including online resources, peer to peer coaching, qualification training and external partnerships.</li> </ul>	<ul style="list-style-type: none"> <li>• 58% of managers registered with online leadership development tools</li> <li>• 14 senior managers trained as facilitators for peer to peer coaching</li> <li>• 180 managers inducted onto Chartered Management Institute accredited courses</li> </ul>	<ul style="list-style-type: none"> <li>• Review of Corporate Scheme of Management and Scheme of Delegations due to be completed in 2018.</li> <li>• Planning for Corporate Peer Challenge underway and on schedule to deliver independent review by June 2018 and reporting to Secretary of State in August 2018.</li> <li>• Refreshed Member/Officer Protocol being cascaded to all staff and will form part of induction for new staff and members.</li> <li>• Ongoing communication to members and officers about revised whistleblowing arrangements with the related mandatory e-learning module to be added to the Learning Management System.</li> </ul>

<ul style="list-style-type: none"> <li>• Work completed with on-going monitoring of the Mid-Term Financial Savings plan is now in place.</li> <li>• Smarter Together programme set up with governance structures and framework in place.</li> <li>• Corporate Project Management Office (PMO) set up and resourced to deliver MTFS savings.</li> <li>• The Children's Services Improvement Board has met regularly and set a clear forward plan to focus on relevant thematic issues for each meeting. The Improvement Plan was submitted to the Secretary of State on 19 July 2017 and will be updated monthly.</li> <li>• LGA supported seminar for Members to increase understanding of their roles in Children's Services.</li> <li>• Refreshed Member/Officer protocol agreed by Full Council which also included Member to Member conduct.</li> <li>• Transformation Programme engaged staff through conversation groups and other wider staff engagement</li> <li>• Revised whistleblowing framework agreed by general Purpose Committee and implemented.</li> <li>• 2017 Annual residents Survey completed.</li> </ul>	<ul style="list-style-type: none"> <li>• 750 employees attended the Staff Conference and staff awards presentation</li> <li>• 80% of staff say that they are proud to work for Tower Hamlets</li> <li>• 60 staff trained in Outcome Based Accountability methodology</li> <li>• Programme Board and Smarter Together Governance agreed and Boards meeting monthly</li> <li>• Smarter Together Programme plans agreed and progress monitored by Transformation Board</li> </ul>	
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<b>Elections</b>					
<b>Activities</b>	<b>Lead Officer</b>	<b>Deadline</b>	<b>Status</b>	<b>%Comp</b>	<b>Year-End Comments</b>
<b>1. Planning for 2018 Mayoral and local elections</b>					
<b>Key Milestones</b>					
Joint working with partner agencies - First meeting February 2017	Will Tuckley/Robert Curtis	May-18	On Target	50%	There has been a plethora of meetings with all partners since the beginning of the year. This has involved the police, both locally and across London, the Cabinet Office, Electoral Commission and internal departments. All meetings have been minuted and the RO has also attended a GLA Crime Committee meeting to detail the preparations in place.
Project group to meet monthly from April 2017, fortnightly from December 2017 and more frequently as required immediately prior to elections.	Will Tuckley/Robert Curtis	May-18	On Target	50%	Election Project meetings have been held as scheduled and have been attended by all partners. In addition, a meeting with the Minister Chloe Smith was held here at the Council Offices to discuss the preparations underway, election integrity and the postal pilot scheme.
Ensure integrity of the process and good order at polling stations	Will Tuckley/Robert Curtis	May-18	On Target	50%	This has been discussed with the police and it is confirmed that a police officer will be on site throughout the day at all polling places. In addition the hatched areas outside each station will also be kept as this was considered good practice at recent elections.
Train 40/50 experienced poll clerks to act as presiding officers in May 2018, to be placed with an experienced PO at a double station.	Robert Curtis	Jan-18	On Target	50%	It is planned for those appointed to be in the main experienced officers and where necessary polling clerks can attend the PO training which will add resilience to the pool of staff available. The allocation of staff is actually dependent on availability so the allocations are difficult to predict until we know who is available so in practice training PC's is fine but whether this will then enable us to train them and allocate with PO's is subject to process.
Enhanced mandatory training for polling station staff before taking up roles. To include bespoke e. training and dedicated training for PO's with specific scenarios.	Will Tuckley/Robert Curtis	Feb-18	On Target	50%	All PO's and PC's will be trained appropriately for the combined polls but we may not procure the E Learning modules because of the combination which isn't covered in the products available.
Continuation of RO instruction to ensure polling staff only speak in English whilst on duty in the polling station	Will Tuckley/Robert Curtis	May-18	On Target	50%	This is to continue
Ballot papers at polling stations - folded to assist with check of ballot paper number before being placed in the ballot box and to ensure secrecy of the ballot.	Will Tuckley/Robert Curtis	Mar-18	On Target	50%	This is agreed and will be the standard instruction
Full review of count procedures and paperwork in consultation with EC	Will Tuckley/Robert Curtis	Jan-18	On Target	20%	A comprehensive count plan will be prepared with provisional agreement reached on the methodology. The count venue will be visited on 16 March by the core management team to ensure what is being proposed is feasible and reflected in the written document produced
Count venue booked	Will Tuckley/Robert Curtis	Jan-18	On Target	50%	This is booked and is confirmed as the Excel Exhibition Centre
Dedicated count training for accountants using Xpress count module	Robert Curtis	Jan-18	On Target	20%	It is not yet agreed that the Xpress Count module will be used but the top table will be manned by experienced officers who will receive training on the IT systems utilised at the verification and count
Enhanced mandatory training for count staff before taking up roles. To include dedicated training on count procedures.	Will Tuckley/Robert Curtis	Mar-18	On Target	20%	All count supervisors and count management will receive training encompassing the methodology to be adopted and the paperwork that will need to be used. The actual counters will receive written guidance and will receive training before the commencement of proceedings on the night and on the Friday
Enhanced security measures including photo ID checks at count; non-Council security staff; non-transferable security wristbands	Will Tuckley/Robert Curtis	May-18	On Target	20%	It is proposed, subject to IT capability, to have photo ID for certain staff at the count and photo ID before entrance granted, this to be confirmed with the returning Officer. Count security is also being discussed with the police and will form part of the count program and plan to be finalised.
Platform area for RO and Accountants to ensure visibility of count area	Will Tuckley/Robert Curtis	Jan-18	On Target	20%	The RO will be afforded a platform area for the result and a raised area for the top table will be discussed as part of the count venue visit on the 16 March 2018
Review of Media Pack to ensure up-to-date information provided	Andreas Christophorou/Kelly Powell	Jan-18	On Target	20%	There is a comprehensive communications/engagement plan in place and a media plan will be part of that plan drafted after the site visit
<b>2. Participate in pilot ID scheme</b>					
<b>Key Milestones</b>					
Meeting Government Officials to discuss pilot voter identification scheme proposal	Will Tuckley/Robert Curtis	Feb-17	N/A	0%	These actions are no longer required as TH is no longer participating in the ID Pilot Scheme.

Activities	Lead Officer	Deadline	Status	%Comp	Year-End Comments
ID at polling stations - extensive awareness campaign informing electors what ID must be produced at polling stations to enable them to cast their vote (include sanction)	Andreas Christophorou/Kelly Powell	Jan-18	N/A	0%	These actions are no longer required as TH is no longer participating in the ID Pilot Scheme.
Identification of electors who have already provided evidence to support their registration application	Robert Curtis	Jun-17	N/A	0%	These actions are no longer required as TH is no longer participating in the ID Pilot Scheme.
Liaise with partners for possible provision of Electoral ID Cards/Letters	Will Tuckley/Robert Curtis	Dec-17	N/A	0%	These actions are no longer required as TH is no longer participating in the ID Pilot Scheme.
Additional information provided on poll cards	Robert Curtis	Feb-18	N/A	0%	These actions are no longer required as TH is no longer participating in the ID Pilot Scheme.
Additional staff identified for polling stations to act as 'meet and greet' to check that suitable ID is available and assist with queues	Robert Curtis	Jan-18	N/A	0%	These actions are no longer required as TH is no longer participating in the ID Pilot Scheme.
Include training for PO's and PC's for ID and signature verification checks	Robert Curtis	Feb-18	N/A	0%	These actions are no longer required as TH is no longer participating in the ID Pilot Scheme.
Deliver Postal Vote Pilot scheme with the Electoral Commission	Will Tuckley/Robert Curtis	May-18	On Target	40%	The postal pilot scheme has now been approved in principle and will involve two surveys. One of postal packs delivered and one of postal packs returned. The draft order is still being discussed with the Cabinet Office and once agreed will be subject to a consultation with the Electoral Commission before formal announcement. The data will be analysed by the Electoral Commission.

Communications					
Activities	Lead Officer	Deadline	Status	%Comp	Year-End Comments
<b>3. Develop and deliver Communication Strategy for 2017-18</b>					
<b>Key Milestones</b>					
Launch new weekly staff newsletter	Andreas Christophorou	Apr-17	Completed	100%	We have published 49 Tower Hamlets Now Newsletter since its launch. The weekly newsletter details key campaigns, Council activities and staff contribution. The average open rate is above 65% with further work taking place to improve staff engagement including supporting two way communication and refresh of the newsletter template. Informal feedback from staff through events has been very positive about the newsletter and through staff surveys and other activities will look to build on success of the newsletter.
Commission media consumption Survey	Andreas Christophorou	Apr-17	Completed	100%	Media Consumption Survey was presented to CLT and MAB in December. It has provided the Communications Team with valuable data to measure public perception and readership of our channels including Our East End, the website, social media and media. It has also shown us which media titles or read or watched the most by our residents. We are using this information to prioritise coverage in those titles in order to reach the biggest audiences. We will be using the survey further to assess our audiences for other communications work such as campaigns and we are considering doing a light version of the media consumption survey every year to measure our progress.
Build a range of communication infrastructure	Andreas Christophorou	Jul-17	Completed	100%	This year we have developed new infrastructure including: New advertising infrastructure; 66 agrippa panels on 33 refuse and recycling vehicles to advertise our campaigns. Use of 14 BT Inlink digital panels for council campaigns (438 hours of content per panel per year). So far (up to Q3) 20 gold or silver campaigns linked to our strategic priorities have been completed or underway. A new intelligent newsletter that segments our residents based on their interests has been commissioned and will start in Q4. We are working with the Idea Stores to have a greater council brand presence. We will be taking on a social media monitoring and allocations service in Q4 to improve our social media work. We have restructured the Communications Team in this financial year - the restructure was completed in March 2017 and we have now filled all the vacant roles in the new structure. There has been a significant commitment to training in this financial year to provide the team with new skills for a more rounded communications service with a better digital focus.

Activities	Lead Officer	Deadline	Status	%Comp	Year-End Comments
Develop Intelligence Newsletter allowing better targeting of information to local people	Andreas Christophorou	Dec-17	Completed	100%	We have commissioned a new newsletter system from Granicus. We are currently setting the system up and it will start in Q4. In tandem with the new system, there will be a focus on signing up residents to it at our five biggest touch points - places where residents engage the most with the council such as our Idea Stores and One Stop Shops. The work is being done in tandem with customer service improvements and IT so that the data we get can be used across the council and that any sign ups to other council accounts such as the single view of the customer feeds into our newsletter as well.
Launch new Intranet Site	Andreas Christophorou	Mar-18	Overdue	30%	The Digital Team has researched the use of our current intranet. It has shown us what is widely used and what is not, with many pages very out of date and not updated by services. Our database of staff for example has 10,000 entries. The Digital Team presented a paper to CLT in October on direction of travel and have been working with teams across directorates since to understand their needs. A new paper was sent to CLT in February recommending the use of our current website CMS for the intranet. Our target of the new intranet in place this financial year turned out to be too optimistic due to the volume of work so instead we changed our goal to be selection of the CMS this financial year with the migration to and launch of a new system in the coming financial year.

#### 4. Procurement of statutory notices

Key Milestones					
Invitation to tender	Andreas Christophorou	Feb-17	Completed	100%	This has been completed as planned.
Evaluation	Andreas Christophorou	Feb-17	Completed	100%	This has been completed as planned.
Contract award	Andreas Christophorou	Apr-17	Completed	100%	This has been completed as planned.
Contract mobilisation	Andreas Christophorou	May-17	Completed	100%	This has concluded on time and responsibility for statutory notices now rests with Planning and Licencing rather than Communications as they are the ones paying for advertising in East London Advertiser. This is a more dynamic and cost effective approach that using Communications as an unnecessary middle person.

#### Property

Activities	Lead Officer	Deadline	Status	%Comp	Year-End Comments
<b>5. Deliver Asset Rental Account Action Plan</b>					
Key Milestones					
Managers' briefing on moves procedure	Richard Chilcott	Apr-17	Completed	100%	This has been completed as planned. New moves procedure has been advertised on the Council's intranet. The new procedure will be implemented for upcoming moves.
<b>6. Implement Community buildings programme</b>					
Key Milestones					
Agree action plan for validation of TRAs with THH	Richard Chilcott	Apr-17	Overdue	90%	Agreement has been made with Lead Member and with THH for lettings of Community Buildings to TRAs, at a peppercorn rent. THH has a process for approving TRAs in terms of proper functioning an governance. This process supports the issuing of heads of terms for leases to the approved TRAs. We are aiming to complete the exercise by the end of March 2018.
Formally transfer caretaker's facilities to THH	Richard Chilcott	Jun-17	Completed	100%	This has been completed as planned.
Complete marketing and letting of vacant buildings identified for commercial use	Richard Chilcott	Jun-17	Completed	100%	The action concerns Unit 6 in Watney Market which has been vacated by the previous occupiers, a leaseholders association. Following a review of the options for carrying out pre-marketing work, GVA has been appointed to undertake the marketing which has commenced. The property will be on the market until March when offers will be evaluated. Heads of terms for a lease will then be offered to the successful bidder.
Complete and open second community hub	Richard Chilcott	Jun-17	Overdue	60%	Original plan had been to deliver Raines House as a second hub, but as a listed building this requires more comprehensive community consultation and a listed building consent before works could be carried out. Tramshed has now been identified as the second community hub. Work has begun on Tramshed to make it available for letting as a community hub; budget allocation increased in February 2018 to ensure sufficient funds are available for the works. Upgrade work is now underway and on target for completion by end of April 2018.

Activities	Lead Officer	Deadline	Status	%Comp	Year-End Comments
Establish implementation plan for third hub and wider roll-out across the borough	Richard Chilcott	Jun-17	Overdue	40%	<p>Raines House has been identified as the third community hub.</p> <p>Concept designs for reconfiguring the existing space within the building to create a community hub have been carried out and community consultation started in January 2018; a planning application is expected to be submitted by the end of March 2018; a budget allocation for the full refurbishment project was agreed in February 2018. Progress on the fourth hub continues to be made – community consultation in February 2018 ahead of planning submission by end of March 2018. Existing users to be provided with temporary accommodation during the building works which are expected to take place between September 2018 and Summer 2019.</p> <p>Progress was delayed by the need to bring to an end the lease arrangements with the existing occupier and for the community to be fully consulted on changes to a listed building within their neighbourhood.</p> <p>The works will be complete and the building open for community use by Spring 2019 to enable the 300-year celebration of the building's history to be held.</p>
Complete and open third community hub	Richard Chilcott	Mar-18	Overdue	40%	As above.
Convert vacant community buildings identified for housing use to housing and transfer to THH/Homeless Services	Richard Chilcott	Mar-18	On Target	85%	<p>Temporary community use is in place for Turin Street, approved by the Mayor, which is due to come to an end in July 2018.</p> <p>Work has commenced on conversion of Bethnal Green Cottage and is expected to complete by June 2018; further community buildings have been identified to create a programme of conversions, feasibility studies have been completed and the process of procuring a build contractor is due to start in March 2018 to create at least 14 new homes.</p> <p>First completions in June 2018 rather than March 2018 because of delays within the planning process which took 3 months longer than expected.</p> <p>A Programme monitoring group has been set and in place to keep the project on track.</p>
<b>7. Strengthen governance arrangements</b>					
<b>Key Milestones</b>					
Review of revised governance arrangements	Richard Chilcott	Sep-17	Completed	100%	Template for new governance arrangements has been signed off and is now fully operational.
<b>8. Asset reviews and service delivery plans</b>					
<b>Key Milestones</b>					



Activities	Lead Officer	Deadline	Status	%Comp	Year-End Comments
Complete review of depot provision across the borough	Richard Chilcott	Sep-17	Overdue	60%	<p>Specialist consultants, Peter Brett Associates were appointed in October 2017 to deliver a feasibility study. The project is being jointly led by Asset Management and Public Realm. The architect within the PBA team is Fletcher Rae. The purpose of the study is to consider how additional functions, currently located at other sites across the borough, could potentially be accommodated at Blackwall Depot. The other sites involved include Commercial Road car pound, Southern Grove Veolia operation and Tower Hamlets Community Transport in Newell Street. The study will consider issues such as:</p> <ul style="list-style-type: none"> <li>• whether the existing main building should be refurbished and extended or demolished and a new building put up elsewhere on the site,</li> <li>• would multi-level parking be the best solution to accommodate a significant commercial and private vehicle parking requirement on a relatively small site,</li> <li>• how best to configure a layout to deal with the presence of the Blackwall Tunnel under part of the site and the proximity of residential properties in the development taking place on an adjoining site.</li> </ul> <p>The study team specialisms include transport planning, geotechnical engineering, planning and design. An initial options paper has been presented. The Council is validating all the inputs regarding the service requirements and the scope of the review. The study is due to be completed by April 2018.</p>
Complete review of leisure facilities across the borough	Richard Chilcott	Mar-18	Completed	100%	Working with colleagues in leisure and finance to progress as required to match service delivery plans. In May 2017 the Council adopted an indoor sports facilities strategy which sets out an action plan for leisure facilities across the borough. In January the Council agreed proposals for the leisure service to include £1.5m capital investment and the leisure management contract extension to 2022. Commensurate lease extensions will be put in place when the contract extensions are documented.
<b>9. Complete audit of assets</b>					
<b>Key Milestones</b>					
Complete audit, specifically any additional requests for information or documentation following visits in 2016/17	Richard Chilcott	Jun-17	Completed	100%	This has been completed as planned.
Complete any regularisation work required (e.g. enter into leases)	Richard Chilcott	Dec-17	Completed	80%	Asset managers are assigned to progress the seven cases, which are at a variety of stages. Other cases have been completed already and new leases are in place. In some cases heads of terms for new occupation agreements have been issued to be progressed to Legal Services. In others alternative action is being progressed to achieve regularisation, for example where more efficient use of premises would be achieved through relocation. The target date for completion of the whole exercise is June 2018

<b>Grants</b>					
Activities	Lead Officer	Deadline	Status	%Comp	Year-End Comments
<b>10. Complete review of Third Sector Team</b>					
<b>Key Milestones</b>					
Review of Third Sector Team completed	Steve Hill	Mar-17	Completed	100%	This has been completed as planned.
New team structure finalised	Steve Hill	Mar-17	Completed	100%	This has been completed as planned.
Staff / Trade Union consultation on new team structure completed	Steve Hill	Apr-17	Completed	100%	The consultation on the new structure has been completed
Assimilation into posts / interviews	Steve Hill	May-17	Overdue	60%	The assimilation interview process is scheduled to take place in March 2018.
Full Implementation of new team structure	Steve Hill	Jun-17	Overdue	10%	Full implementation is anticipated to be during March and April 2018.
<b>11. Implement web based GIFTS software</b>					

Activities	Lead Officer	Deadline	Status	%Comp	Year-End Comments
<b>Key Milestones</b>					
System mapping of requirements to improve management reporting, information management and analysis	Steve Hill	Feb-17	Completed	100%	This has been completed as planned.
Development of web-based solution completed	Steve Hill	Apr-17	Overdue	75%	Detailed and technical work is continuing to revise the business processes, streamline the system, ensure accessible information and reporting for members, the VCS and the public relating to grant awards and monitoring via the internet.
Full implementation of new web-based system	Steve Hill	Jun-17	Overdue	60%	Full implementation is anticipated to be from March 2018 in line with the full implementation of the new staffing structure
<b>12. Development of Grants Scrutiny Sub-Committee</b>					
<b>Key Milestones</b>					
Grants Scrutiny Committee Induction and work planning	Sharon Godman	Jun-17	Completed	100%	This was used to develop the work programme for the municipal year.
Develop Grants Scrutiny Sub-Committee Work programme 2017-18	Sharon Godman	Jul-17	Completed	100%	The Grants Scrutiny Sub-Committee has met 6 times this municipal year considering a range of grants decision reports and MSG monitoring reports. The Committee has also completed an in-depth review of recreation activities for children and young people and this included how grants support a more active lifestyle.
Strengthen resident and local stakeholders involvement in Committee's Work programme	Sharon Godman	Aug-17	Completed	100%	There is on-going work to publicise the work of the Committee. All papers are published on the Council website and the meetings are open to local residents. The review considered residents views about sports and leisure through engagement already undertaken.
<b>13. Complete commissioning of Community Cohesion Theme</b>					
<b>Key Milestones</b>					
Tender advert	Steve Hill / Emily Fieran-Reed	Mar-Apr 17	Completed	100%	The tender went out to advert in March 2017.
Tender evaluation	Steve Hill / Emily Fieran-Reed	May-17	Completed	100%	Interviews have been completed
Contract award	Steve Hill / Emily Fieran-Reed	Jun-17	Completed	100%	All 8 lots have been awarded and delivery began from 1 October for the final 3 lots.
Contract mobilisation	Steve Hill / Emily Fieran-Reed	Aug-17	Completed	100%	All contracts have now been mobilised and are delivering. The New Economics Foundation provided training and review to ensure that the contracts are co-delivered with the community and between the provider and Council in a way which delivers against co-production principles. Where contracts are successfully delivering we will extend by a further 7 months to bring the end date into line with MSG grants. This will enable them to be considered as part of the future grants/commissioning process.
<b>14. Review and improve working of Grants Determination Sub-Committee</b>					
<b>Key Milestones</b>					
6 - month review of the Grants determination Sub-Committee	Matthew Mannion / Steve Hill	Sep-17	Overdue	10%	This work has been paused whilst a wider review of grant policy is undertaken. At the completion of that wider review the role of the Sub-Committee will be completed.
Forward plan implemented to set out future work plan	Matthew Mannion / Steve Hill	On-going	Completed	100%	This has been completed as planned.
Grants Determination Sub-Committee away-day	Matthew Mannion / Steve Hill	Sep-17	Overdue	0%	The away day will take place once the review listed above is completed.
Grants Determination Sub-Committee Members development seminars	Matthew Mannion / Steve Hill	On-going	Delayed	0%	This will be considered as part of the wider Member Development Programme following the May 2018 elections. The nature of these seminars/sessions has yet to be determined as it will depend on the wider review of grants policy which will then clarify the role that Members will be playing in the future.
<b>15. Strengthen grants management and work strategically with voluntary and community sector</b>					
<b>Key Milestones</b>					


Activities	Lead Officer	Deadline	Status	%Comp	Year-End Comments
Complete audit of grants monitoring	Minesh Jani	Oct-17	Completed	100%	Audit completed. Report has been discussed with the service and recommendations will be taken forward.
Review and update the Council's grants policy, working closely with services	Sharon Godman	Mar-18	On Target	90%	Grants Policy Framework scheduled to go to Cabinet on 20 March 2018. This policy framework provides the basis for an outcomes based corporate grants programme and was developed through a process of co-production with the voluntary and community sector. Over 70 organisations participated in the open workshop events with a further five focus groups and a number of individual conversations. The policy framework sets out the rationale for using grants rather than commissioning for particular activities, a set of initial themes for the grants programme, eligibility criteria and levels of funding. Second stage will also be developed through co-production with the VCS. Scheduled to be completed in the summer with the launch of the new programme, this co-production develops the detail of the initial themes, setting out priorities and outcomes. It will also develop the processes and procedures to administer the programme. Work plan for this stage in place and on schedule for completion on time.
Work with the voluntary sector to develop a voluntary sector compact	Sharon Godman	Mar-18	On Target	90%	New Compact scheduled to be considered by Cabinet on 20 March 2018. The Compact is a way of working between the voluntary sector and the public sector setting out agreed values and principles. The current Compact between the Council and the local voluntary and community sector was agreed in 2011. The Voluntary Sector Strategy action plan agreed by the Mayor in Cabinet in April 2016 includes a commitment to renew the Compact. The revised Compact restates the Council's commitment to working with the voluntary and community sector, sets out common principles and values, and includes undertaking for both sectors to help reinforce the relationship. There will be further work to develop an action plan to support the Compact.
Undertake comprehensive review of contracts and grants to inform the development of the Council's new approach to commissioning	Sharon Godman	Mar-18	Overdue	40%	Engagement has been undertaken with Commissioners across the Council and also research on best practice examples. A working Group has been formed which will take forward this work. This work is also being aligned to the development of the wider Grants Policy and will be completed in June 2018.

Organisational Culture					
Activities	Lead Officer	Deadline	Status	%Comp	Year-End Comments
<b>16. Permanent recruitment to the post of Corporate Director</b>					
<b>Governance</b>					
<b>Key Milestones</b>					
Advert	Will Tuckley	Jan-17	Completed	100%	This has been completed as planned.
Long-list Interviews	Will Tuckley	Feb-17	Completed	100%	This has been completed as planned.
Short-list Interviews	Will Tuckley	Mar-17	Completed	100%	This has been completed as planned.
Appointment confirmed	Will Tuckley	Apr-17	Completed	100%	This has been completed as planned and reported in Q2.
<b>17. Complete review of Constitution</b>					
<b>Key Milestones</b>					
Constitutional Working Group review parts 5,6 and 7	Asmat Hussain	Apr-17	Completed	100%	Reports went to GPC on 12 October 2017 with a revised Council Procedure Rules and Member/Officer Relations Protocol. Reports agreed by Council on 20 November 2017.
Amendments to General Purpose Committee	Asmat Hussain	Apr-17	Completed	100%	On 18 May 2016 Council agreed to establish a new enlarged GP Committee incorporating the Human Resources and Appeals Committees. A revised Terms of Reference were agreed at that time. On 17 May 2017 Council established the GP Committee for the municipal year 2017/18 under the same Terms of Reference
Full Council approval of parts 4 to 7	Asmat Hussain	May-17	Completed	100%	Council has approved all of Parts 4 to 7 except Part 4.1 (Council Procedure Rules) and Part 5.2 (Member/Officer Relations Protocol). Reports agreed by Council on 20th November 2017 for approval
<b>18. Recruitment of seniors officers to complete new corporate structure</b>					
<b>Key Milestones</b>					

Activities	Lead Officer	Deadline	Status	%Comp	Year-End Comments
Advert	Will Tuckley	Jan-17	Completed	100%	This has been completed as planned.
Short-listing	Will Tuckley	Feb-17	Completed	100%	This has been completed as planned.
Interviews	Heather Daley	Mar-Apr 18	Completed	100%	The following senior posts are covered on an interim basis: - CD Place (internal acting up arrangements in place for 12 months to July 2018 - review to take place at that time) - DD Adult Social Care - DD Commissioning & Health (Joint post with the CCG - appointment made February 2018) - DD Children's Social Care (substantive post holder on outward secondment)
<b>19. Implement actions from Clear Up Project</b>					
<b>Key Milestones</b>					
Publish report	Asmat Hussain	Apr-17	Completed	100%	This has been completed as planned.
Report and recommendations to Full Council	Asmat Hussain	Jun-17	Completed	100%	This has been completed as planned.
Implement recommendations from Clear Up Project	Asmat Hussain	July 17 onwards	On Target	75%	The Clear Up Board made recommendations for action in respect of a total of 41 of the 66 allegations that had been reported to the Clear Up Team. As at 26th February 2018, 30 of those 41 had been fully actioned leaving 11 cases outstanding. Progress has been made on those 11 cases as 23 of the 37 recommendations associated with those 11 outstanding cases have also been completed.
Review progress against implementation	Asmat Hussain	Quarterly	On Target	75%	As per above.
Review Whistleblowing arrangements and implement new scheme	Heather Daley	May-17	Completed	100%	A Report went to GPC on 12 October 2017 with a revised Whistleblowing Policy, Procedure, Guidance for Managers and Guidance for Investigators as well as Action Plan for the implementation of a more effective whistleblowing framework. The Whistleblowing Policy and supporting documents have been relaunched with the widest possible audience. All political group Leaders will be asked to encourage the promotion of the policy within their group membership. The Audit Committee will be the responsible committee for the oversight of Whistleblowing and will be asked to assess the effectiveness of the Policy as well as monitoring the implementation of the policy. An e-Learning module has been prepared and is to be added to new Learning Management System (LMS) as well as forming part of the Learning and Development Core Offer training packages for all staff and Members. It will be mandatory for officers.
<b>20. Review employment policies and practices and implement them</b>					
<b>Key Milestones</b>					
Project Group formed and policies prioritised for review	Heather Daley	Jan-17	Completed	100%	This has been completed as planned.
Workshops with key stakeholders held to identify issues	Heather Daley	Feb-17	Completed	100%	This has been completed as planned.
First draft proposals developed on good practice and procedural amendments	Heather Daley	Mar-17	Completed	100%	Engagement with trade unions informally has occurred
Development of detailed changes and stakeholder engagement	Heather Daley	Apr-17	Overdue	80%	A briefing report on employment policies, provisions and procedures was considered by General Purpose Committee in October 2017 and ongoing engagement with the trade unions continues. Engagement with staff will follow - re-estimate time for this is now Q2 2018/19
Implement changes to practice through (a) BP training (b) management and staff training	Heather Daley	(a) Sept-17	Overdue	50%	Close working with employment lawyers within Legal services taking place via weekly meetings. HR restructure consultation concluded January 2018 and new structure being implemented which strengthens requirement and provision for expertise, training and mentoring, quality assurance and proactive management of employee related matters.
<b>21. Develop and implement refreshed employee values</b>					
<b>Key Milestones</b>					
Staff survey completed	Heather Daley	Jan-17	Completed	100%	This has been completed as planned.
Focus Groups	Heather Daley	Feb-17	Completed	100%	This has been completed as planned.
Revised values developed and: (a) communicated (b) staff engaged via their managers	Heather Daley	Mar-Apr 17 (a) August (b) By October	Completed	100%	Core values launch week held in October across different Council sites. Engagement tool publicised to all managers. Significant engagement achieved and further on going activities planned.

Activities	Lead Officer	Deadline	Status	%Comp	Year-End Comments
<b>22. Deliver Year 1 of Smarter Together Programme</b>					
<b>Key Milestones</b>					
Resource programme and project roles	Heather Daley	May-17	Completed	100%	This has been completed as planned.
Programme plans mapped to MTFS to ensure benefits are realised	Neville Murton	Jun-17	Completed	100%	This has been completed as planned.
Change managed and staff engagement maintained and measured via staff pulse surveys	Heather Daley	Jan-18	Overdue	45%	A staff survey is planned for autumn 2018 that will measure any changes to levels of staff engagement.
Year 1 MTFS benefits realised via Programme	Neville Murton	Mar-18	Completed	100%	Slippage and non achievement of savings has been included in relevant budget management reports to Members. The latest position (P10) indicates achievement of 89% of programmed savings. Progress against the delivery of saving and growth (Investment) proposals continues to be reviewed at quarterly portfolio performance meetings by the Mayor and Lead member (Resources). Overall the Council's financial position is healthy with an estimated £1.5m General Fund underspend currently projected.
Smarter Together Programme plans delivered	Neville Murton	Mar-18	Completed	100%	The Smarter Together programme has moved into delivery stage. Activity is now underway to deliver a series of quick wins to manage demand and achieve efficiencies within this financial year to support achievement of savings targets. In parallel, we are continuing work on change initiatives identified in the MTFS and the invest to save initiatives to achieve our vision of becoming an outcomes-based organisation. A number of controls have been introduced to make sure our priority change initiatives are sufficiently resourced and progress against plans is expedited. We have increased our efforts to manage risks and dependencies on early warning signals and triggers for senior leadership escalation and attention. A rigorous process for managing benefit delivery has been agreed. The iterative process of benefit validation has commenced to provide assurance that benefits are on track, being monitored effectively and instances of over or under delivery are quickly identified and acted upon. A benefits dashboard is being developed to strengthen the monitoring process for MTFS and other council efficiency initiatives
<b>23. Ensure Council more outward focussed and review feedback from external stakeholders</b>					
<b>Key Milestones</b>					
Ofsted Inspection - Review recommendations and develop improvement action plan	Debbie Jones	Apr-17	Completed	100%	All recommendations from the Ofsted Inspection have been reviewed and are responded to through the activities and outcomes identified in the Children's Services Improvement Plan. This Plan is updated regularly by the Interim Divisional Director for Children's Social Care. Progress against key improvement targets is reported monthly to CLT in the form of the Children's Services Improvement Summary Report, and quarterly to Cabinet through the Quarterly Children's Services Improvement Report.
Review Annual Residents Survey 2017	Sharon Godman	May-17	Completed	100%	In addition to this, the Children's Services Improvement Board and Operations Group forward plan reports on progress against key areas for improvement, as well as discussing and scrutinising the Improvement Summary reports.
Establish regular meetings of Tower Hamlets Partnership	Sharon Godman	Apr-17	Completed	100%	This has been completed as planned. The Partnership organised a Summit with over 100 organisations and nearly 300 stakeholders in attendance to develop a shared vision and priorities for the borough.
Investors in People Gold Accreditation	Heather Daley	Dec-17	Completed	100%	IIP reaccreditation assessment took place in December 2017 and an organisation-wide action plan to ensure retention of IIP silver accreditation has been drawn up by senior managers. This now needs to be reviewed by the assessor.
ADASS Peer Review	Denise Radley	Apr-17	Completed	100%	This has been completed as planned and reported in Q1.
Undertake a programme of improvement work with LGA	Sharon Godman	Apr 17- Mar 18	Completed	100%	The Corporate Peer Challenge proposal was agreed by the Best Value Improvement Board at their last meeting. Planning for this is currently underway and will be held in June 2018. A Members Seminar was jointly delivered with the LGA on Members role in Children's Services. A Planning Peer Review will also be undertaken with LGA.
<b>24. Complete phase 2 of Officer Schemes of Delegation</b>					

Activities	Lead Officer	Deadline	Status	%Comp	Year-End Comments
<b>Key Milestones</b>					
Report to Council on Constitutional changes including in respect of revisions proposed to Parts 3.7 and 3.8 of the Constitution and which relate to Limitations and Delegated Decision Making – General Principles respectively; and on Directorate Scheme of Management	Asmat Hussain	Jun-17	Overdue	75%	The Council Scheme of Delegations (SOD) is being reviewed, the first stage is the Council Overall Scheme which will form part of the Constitution and agreed by CLT. Any subsequent changes to the Constitution will follow the governance process changes to the constitution including General Purpose Committee . The Second Stage will be departmental SOD and each Directorate to review and update their Departmental SOD which will require publication within the Council.  The work in underway and due to be completed in the summer 2018 be reported to CLT this quarter.
Circulate revised proposed Officer Scheme of Delegations to Corporate and Divisional Directors	Asmat Hussain	Jul-17	Overdue	0%	This will be considered once the Corporate Scheme of Management has been finalised.
Corporate Director and Monitoring Officer sign off on respective Officer Scheme of Delegations for Directorates	Asmat Hussain	Sep-17	Overdue	0%	As above
Report to Cabinet on the final Officer Scheme of Delegations	Asmat Hussain	Nov-17	Overdue	0%	As above
Report to General Purposes on the final Officer Scheme of Delegations	Asmat Hussain	Nov-17	Overdue	0%	As above
Report to Council on the final Officer Scheme of Delegations	Asmat Hussain	Nov-17	Overdue	0%	As above
<b>25. Review and implement Member/Officer Development work programme</b>					
<b>Key Milestones</b>					
Review and update Planning Code of Conduct	Asmat Hussain	Apr-17	Completed	100%	This has been completed as planned.
Review and Update Member /officer Protocol	Asmat Hussain	May-17	Completed	100%	This has been reviewed and updated and reports have gone to GPC on 5 July 2017 and 12 October 2017 and to SAC on 19 October 2017. Report agreed by Council on 20 November 2017
Corporate Induction to include session on Member and Officer Protocol	Asmat Hussain	Jun-17	Completed	100%	The revised Member/Officer Relations' Protocol will be cascaded down to DLTs, SMTs and Team Meetings. It will also form part of the Induction for both Members and new members of staff. Corporate Inductions include a session on Member/Officer Protocol delivered by the Corporate Director Governance.
Develop and agree Member to Member protocol	Asmat Hussain	May-17	Completed	100%	This has now been included in the Member/Officer Relations Protocol and which was agreed at GPC on 12 October 2017 and to SAC on 19 October 2017. Report agreed by Council on 19 November 2017.
<b>26. Declarations of Interest - Members &amp; Officers</b>					
Audit of 2016-17 Staff Declarations of Interest & follow up in six months	Minesh Jani	Apr 17 & Oct 17	Completed	100%	Findings reported to the Audit Committee.
Follow up on audit of management and control of staff hospitality and gifts	Minesh Jani	May-17	Completed	100%	This has been completed as planned.
Annual Officers Declaration of Interest 17-18	Heather Daley	Jun-17	Completed	100%	This has been completed as part of the Personal Development Process and updated as and when circumstances change.
Audit of 2017-18 Staff Declarations of Interest	Minesh Jani	Dec-17	On Target	50%	This audit is planned and will be carried out following the refresh of declarations made by officers. All employees must complete a 'new' declaration of interest form by the 31st March 2018. This has been communicated to managers and employees through the Managers Briefing, the front page of the Intranet and individual liaison with managers whose staff do not have access to the online form in HR Self Service. An audit of the refreshed declarations will be carried out in Qtr 1 of 2018/19 financial year.
Annual Members Declaration of Interest	Asmat Hussain	Dec-17	Completed	100%	This has been completed as planned.

<p><b>Cabinet</b></p> <p>20 March 2018</p>	
<p><b>Report of:</b> Will Tuckley, Chief Executive</p>	<p><b>Classification:</b> Unrestricted</p>
<p><b>2017-18 Quarter 3 (October-December) Strategic Performance Monitoring report</b></p>	

<b>Lead Member</b>	<b>Mayor John Biggs</b>
<b>Originating Officer(s)</b>	<b>Sharon Godman</b> , Divisional Director Strategy, Policy and Partnership
<b>Wards affected</b>	All Wards
<b>Key Decision?</b>	No
<b>Community Plan Theme</b>	<b>One Tower Hamlets</b>

## Executive Summary

This paper provides details of the Council’s progress in delivering the 2017/18 Strategic Plan and the Council’s performance against strategic measures during the same period.

## Recommendations:

The Mayor is recommended to:

1. Review the performance of the strategic measures at the quarter 3 point, including those measures where the minimum expectation has been missed (appendix 1)

## 1. REASONS FOR THE DECISIONS

- 1.1 The Council’s Performance Management and Accountability Framework sets out the process for monitoring the Strategic Plan and performance measures which are reported regularly to the Corporate Leadership Team and Cabinet.
- 1.2 This report promotes openness, transparency and accountability by enabling Tower Hamlets’ residents to track progress of activities that matter most to them and their communities.

## **2. ALTERNATIVE OPTIONS**

- 2.1 Cabinet can decide not to review the performance information. This is not recommended as Members have a key role to review and challenge underperformance and also utilise performance information to inform resource allocation.

## **3. INTRODUCTION**

- 3.1 This report summarises the Council's performance during quarter three of 2017/18 (October-December 2017) in delivering the final year of its three year strategic plan. The year two plan, which was agreed by Cabinet in April 2017, builds on the Council's achievements in year one of the plan (2016/17) and sets out ambitious plans to achieve the outcomes detailed in the Strategic Plan.
- 3.2 Appendix 1 sets out in detail how the Council has performed during Quarter 3 against the basket of strategic measures that can be reported on this quarter.

## **PERFORMANCE OVERVIEW**

- 3.3 The Council's Strategic Plan sets out the priorities and outcomes that the Mayor and his administration have been elected to deliver. These are underpinned by the Council's transformation programme, medium term financial strategy and drive to deliver better outcomes for local people. The Council set out three priority areas within its Strategic Plan, and beneath them there are a number of outcomes that we want to achieve for our community.
- 3.4 Within the Strategic Plan the Council identified a wide range of strategic performance measures to contribute to achieving the three priority outcomes. This section of the report provides analysis of how successful the Council was in delivering the performance, providing analysis and commentary by priority area.



3.5 The performance of the measures used to assess our performance in delivering the Strategic Plan priorities are summarised in the table below. There is evidence of good and improving performance.

<b>Priority Outcome 1: Creating opportunity by supporting aspiration and tackling poverty</b>			
RAG Status	Green <b>3</b>	Amber	Red <b>12</b>
	Data Only <b>1</b>		
Direction of Travel / Trend	Improving <b>7</b>	No Change	Deteriorating <b>7</b>
	Unknown <b>2</b>	Data Only	
<b>Priority Outcome 2: Creating and maintaining a vibrant, successful place</b>			
RAG Status	Green <b>4</b>	Amber <b>2</b>	Red <b>1</b>
	Data Only <b>2</b>		
Direction of Travel / Trend	Improving <b>5</b>	No Change <b>1</b>	Deteriorating <b>3</b>
<b>Priority Outcome 3: A transformed Council, making best use of resources with an outward looking culture</b>			
RAG Status	Green <b>2</b>	Amber <b>2</b>	Red <b>1</b>
	Unknown		
Direction of Travel / Trend	Improving <b>4</b>	No Change	Deteriorating <b>1</b>

Table 1: Performance by priority outcome area

3.6 Performance Measures are ranked as “Green” where the stretch target has been achieved, “Amber” where the minimum expectation target has been achieved, but the stretch target has not, and “Red”, where the minimum expectation target has not been achieved. The Council has made a decision not to set targets for “Households Living in Temporary Accommodation” and “Total Notifiable Offences”, so a RAG assessment cannot be made, and “NEET” where the method of calculation has changed – a ‘Data Only’ symbol is shown for these measures.

3.7 Section four of this report highlights some of our achievements and provides analysis and explanation for those measures which are both off target and where performance has deteriorated compared to the corresponding period in 2016/17. For further information see Appendix 1.

## 4. ANALYSIS BY PRIORITY AREA

### Priority 1: Creating opportunity by supporting aspiration and tackling poverty

4.1 There are sixteen reporting measures in Priority 1 this quarter: three measures are above target and one is a data only measure as no target has been set. There are seven measures are both off target and have deteriorated since the corresponding quarter of the previous year. Paragraphs 4.2, 4.6 and 4.10 highlight a selection of our achievements this quarter and paragraphs 4.3, 4.4, 4.7-4.11 provides analysis on the areas for improvement. Further information about our performance can be found in appendix 1.

*A dynamic local economy, with high levels of growth that is shared by residents*

4.2 To support this outcome, the Council has provided **business support** to 462 businesses so far this year. Our package of 'Business Ready' projects - Start Up, Retail Marketing, Supply and Growth – are all now in full operation. Our business support activities this quarter have included: 170 pre-start entrepreneurs being trained resulting in 54 enterprises being created; supporting seven enterprises in finding suitable accommodation in the borough; and assisting 135 businesses to improve their retail and marketing performance.

*Residents into good quality, well-paid jobs*

4.3 The **number of Tower Hamlets residents supported into work by the Council's WorkPath partnership** provision so far this year is 610, broken down as follows: 442 residents gained job outcomes as a result of interventions by the WorkPath service; 153 young people gained apprenticeships through the help of the Careers service; 15 job starts from iTRES (the Council's internal temporary agency).

The WorkPath service focusses on supporting economically inactive and long-term unemployed groups of residents (residents furthest from the labour market, potentially with multiple barriers to employment), those that require extensive support over a longer period of time to get them job ready and into

employment. There has been a 61% fall in Apprenticeship starts nationally and this is one of the contributing factors in the lower than expected outputs for this year.

- 4.4 The **gap between TH and London employment rates** has widened to 11.6ppts, with the Tower Hamlets employment rate being 62.1% whilst the London average rate is 73.7%. However, a technical review of these data (by the Council's research team) has suggested these survey-based data may not be very reliable. The review highlighted a number of data quality problems, including large confidence intervals and declining survey response rates. Also, trends in benefits data show no corresponding increase in out-of-work benefit claimant numbers. The Council is currently exploring alternative measures which will provide a better indication of the local labour market. Whilst our targets have not been met, the Council has undertaken a considerable amount of activity to support local people into employment through the Council's WorkPath partnership provision.

*Children get the best start in life*

- 4.5 To support this outcome, one of the main focusses for the Council is on children who are supported by our children's social care services. Since the establishment of the independently chaired Improvement Board, there has been a steady improvement in performance for children's social care measures. This report covers performance to the end of December 2017 and whilst many of these measures were off target, the most recent data (January 2018) shows continued positive trajectories.
- 4.6 The **average time between a child entering care and moving in with adoptive family** has been reduced to 574.3 days. The impact of our work in this area is that more children benefit from stable placements sooner and are matched and placed with prospective adopters who can meet most, if not all, of their assessed needs.
- 4.7 Nineteen **looked after children were adopted or under a special guardianship order** to date for this year, missing the minimum expectation of 33. The number of adoption orders granted up to Q3 was lower than expected, due to court delays primarily relating to contested applications by birth parents. In addition, some of the complexities relating to some of the children placed with prospective adopters have resulted in delays in submitted adoption applications. Outturn at end of January 2018 has risen to 23.

4.8 The **percentage of looked after children in the same placement for two years or more** stands at 67.2%. The set target of 71.6% was not met. Whilst performance has improved compared to last quarter there has been more placement moves for children in care long term, compared to this time last year. Short term placement stability where children have had 3 or more moves within a year is targeted for improvement to bring the council performance (13.5% in December) in line with or exceeding England and statistical neighbor averages. Performance end of January has risen to 69.4%.

4.9 The **percentage of children on a child protection order visited within the last 4 weeks** was 81%. Technical problems in December the prevented timely recording of visits, this has now been addressed and performance in January increased to 93.4% visits being on time.

*People are healthy and independent for longer*

4.10 The **proportion of people over 65 receiving long term support, per 10,000 population** is 838.8. We are undertaking a number of activities which are helping us to deliver a personalised approach to social care support including enhancing practitioners understanding of personalisation such as the use of direct payments and delivering training to mainstream the single handed care approach through the use of assistive technology.

*Gaps in inequality have reduced and diversity is embraced*

4.11 The **employment gap between Tower Hamlets and the London average for residents who are women and for residents who are BME** have widened to 15.9ppts and 15.7ppts respectively. The TH employment rate female is 51.3% whilst the London average rate is 67.2% and the TH employment rate BME is 50.4% whilst the London average rate is 66.1%. There has been a net decrease in the number of females in employment in the borough and a net increase for BME residents. These results are survey based estimates with large confidence intervals, therefore also subject to significant variations in outturns from one reporting period to the next. A key priority for the Council is to support more women and black and minority ethnic and disabled residents into employment through our WorkPath partnership provision; detailed delivery information is outlined in appendix 1.

## **Priority 2: Creating and maintaining a vibrant, successful place**

4.12 There are nine reporting measures in Priority 2 this quarter: four measures are above target, two measures are meeting the minimum expectation and two

measures are data only so no target has been set. One measure (number of affordable homes) is off target and has deteriorated since the corresponding quarter of the previous year. The paragraphs below highlight a selection of our achievements this quarter and paragraph 4.17 shows where we need to improve performance. Further information about our performance can be found in appendix 1.

*An improved local environment*

- 4.13 The **percentage of household waste sent for reuse, recycling and composting** in Q2 was 28.7% representing an increase in performance compared to the same period last year. There were less materials sent to the dirty Materials Recovery Facility (MRF) and therefore less residual recycling tonnage could be recovered from the general waste stream, this is due to operational issues at our MRF in that period of time. We are undertaking a number of activities to raise awareness and improve the recycling rate including the “Love Your Neighborhood” initiative and our “Big Clean-Up” events.

*People feel safe and places have less crime and anti-social behaviour*

- 4.14 Whilst responsibility to tackle and reduce crime lies with the Metropolitan Police Service, the Council works in partnership with statutory partners to reduce the impacts of crime and disorder on the borough. The Council also funds additional police officers to support neighbourhood policing and tackle the priority crimes and issues that matter most to residents, private enforcement action is taken.
- 4.15 The **total notifiable offences** in Tower Hamlets was 24,591 year-to-date and 7,880 for Q3 - the year-to-date number of offences is higher than the same period last year. However there has been a 5.7% reduction of TNOs this quarter compared to last. The **proven re-offending by young people - % of cohort that reoffends** was 39.7%. It should be noted that the cohort this data is based on, is from the Police National Computer data and is always two years prior to the actual YJB report release date to allow for re-offence tracking.

*Better quality homes for all*

- 4.16 The borough’s population has more than doubled over the past 30 years, making Tower Hamlets the fastest growing local authority in the UK; and the population is expected to reach 391,200 by 2027. Around 37% of households

on the housing waiting list are living in over-crowded accommodation and 54% are in priority categories 1 and 2. In 2017 the borough had the second highest number of households on the housing waiting list in London and the eighth highest nationally.

- 4.17 518 **affordable homes** have been delivered so far this year; the minimum expectation of 600 was not met and fewer affordable homes have been delivered this year compared to this time last year (651). The council has no control over the achievement of this target, as completions are managed by independent developers and the purchasing RP's. A number of schemes which we hoped would complete in 2017-18 will not achieve this date. However, the Council is also on track to meet the Mayor's target of 1,000 new Council Homes by 2018.
- 4.18 *So far this year, 207 **affordable social rented housing completions for family housing*** have been delivered. The low number of affordable homes delivered has subsequently affected the delivery of family rented units. So far this year, 69 affordable social rented units have been let to people on the common housing register or to those eligible for intermediate housing. These families are undoubtedly better off, as are the additional families who are able to move into better accommodation freed up by transferring tenants. The provision of these family sized units is likely to achieve a greater benefit for the families who move in than the production of smaller units, as their housing needs very often include overcrowding, which has impacts on health and the educational prospect of children.
- 4.19 The **number of affordable units provided as wheelchair accessible or adaptable** so far this year is 98. This achievement equates to 19% of all affordable units which is well above our 'Project 120' target of 10%.
- 4.20 The **number of overcrowded families rehoused** to larger and more suitable accommodation at the end of Q2 is 709. This represents 53.43% as a percentage of total lets. The Council has little influence over applicants' bidding strategy because of choice based lettings – which allows applicants to choose what they consider suitable for them.
- 4.21 The **number of families in B&B accommodation for longer than six weeks** is zero and has been since September 2016; the Council has achieved legal compliance on this indicator for 15 months in succession. The **number of households living in temporary accommodation** is 1,919 which represent a small reduction in the number of households in temporary accommodation since March 2017.

4.22 In order to meet demands, deliver statutory duties and achieve legal compliance in the use of B&B accommodation, the Council has had to obtain properties over a wider geographical area to house homeless families. This is against a backdrop of an increasingly short supply of affordable properties available locally, for use as temporary accommodation. The Council however is actively working to increase its stock of temporary accommodation within the borough.

### **Priority 3: Working smarter together as one team with our partners and community**

4.23 There are five reporting measures in Priority 3: two measures are above target and two are meeting the minimum expectation. One measure (sickness absence) is off target and has deteriorated since the corresponding quarter of the previous year. Paragraph 4.23 and 4.24 highlight our achievements and paragraph 4.25 provides analysis on where we need to improve.

4.24 The **overall customer satisfaction with telephone contacts** stands at 92% and the **percentage of contact transactions dealt with online** has increased to 83.5. There has been a progressive growth of contact transaction dealt with online this year. As part of our Customer Access programme we will be reviewing our entire online offer to make it more user friendly and encourage greater levels of online self-service; workshops with target groups will be carried out to market test our digital products.

4.25 The **percentage of council tax collected** (budgeted) to date is 76.48% and the **non-domestic Business Rate collection rate** (budgeted) to date is 86.57%, both measures have exceeded the 75% target.

4.26 The **number of working days/shifts lost to sickness absence per employee** remains persistently high at 10.6 days. Our One HR Plan includes a number of actions to improve staff wellbeing and reduce levels of sickness absence and these are outlined in appendix 1.

## **5. COMMENTS OF THE CHIEF FINANCE OFFICER**

5.1 This report highlights progress in delivering the Council's strategic plan activities during Q3 of 2017/18. The cost of the activities has been funded through the Council's General Fund Revenue and Capital budgets, agreed by full Council on the 22<sup>nd</sup> February 2017. There are no additional financial implications arising from the recommendations within this report.

## **6. LEGAL COMMENTS**

- 6.1 The report provides performance information. It is consistent with good administration for the Council to consider monitoring information in relation to plans that it has adopted in order to achieve best value.
- 6.2 When considering its performance, 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). The Council's targets are formulated by reference to its public sector equality duty and monitoring performance against those targets should help to ensure they are delivered.

## **7. ONE TOWER HAMLETS CONSIDERATIONS**

- 7.1 The Council's Strategic Plan and Strategic Measures are focused upon meeting the needs of the diverse communities living in Tower Hamlets and supporting delivery of One Tower Hamlets. In particular, strategic priorities include the reduction of inequalities and the fostering of community cohesion. The Strategic Measure set contains the measures "Proportion of people with mental health problems in employment"; "Employment gap for women: reducing the gap between the Borough employment rate and employment rate for women"; and "Employment gap for BME residents: reducing the gap between the Borough employment rate and employment rate for BME residents"
- 7.2 Data for Quarter 3 2017/18 shows that the employment gap for women and BME residents, performance has not meet the Council's minimum expectation, however the Council's WorkPath service and wider WorkPath partnership continue to support residents into employment and so far this year 610 residents have been supported into work (16 hours per week, four or more weeks). This quarter 121 job starts through the Workpath were for female residents.

## **8. BEST VALUE (BV) IMPLICATIONS**

- 8.1 Section 3 of the Local Government Act 1999 requires the Council as a best value authority to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of



economy, efficiency and effectiveness”. Monitoring of performance information is an important way in which that obligation can be fulfilled.

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

- 9.1 The Strategic Plan contains a number of environmental milestones within Priority Outcome 2 “Creating and maintaining a vibrant, successful place”. This quarter we are reporting that 28.7% of household waste was sent for reuse, recycling and composting. Cabinet has adopted the Air Quality and Climate Change Strategy and Air quality Action Plan in October 2017 and the inaugural meeting of the Air Quality Board with our external partners was held in December.

## **10. RISK MANAGEMENT IMPLICATIONS**

- 10.1 In line with the Council’s risk management strategy, the information contained within the Strategic Indicator Monitoring will assist the Cabinet, Corporate Directors and relevant service managers in delivering the ambitious targets set out in the Strategic Plan. Regular monitoring reports will enable Members and Corporate Directors to keep progress under regular review.

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

- 11.1 The Strategic Plan contains a number of crime and disorder items under Priority Outcome 2 “Creating and maintaining a vibrant, successful place”. The Strategic Measure set contains the measure “Total Notifiable Offences” (TNOs). Data for the period April-December shows that there were 24,613 TNOs. TNOs are all offences under United Kingdom law where the police must inform the Home Office by completing a crime report form for statistical purposes.
- 11.2 Whilst the responsibility to tackle and reduce crime lies with the Metropolitan Police Service, the Council has for a considerable amount of time been supplementing the local Police in the borough, by funding an additional number of Police officers to address key crime and disorder priorities (Drugs, ASB and Prostitution) for the Council and in turn residents.
- 11.3 The Council funded Partnership Taskforce (6 police officers) have stopped 768 individuals in hotspot areas leading to 118 searches and 48 arrests.

## **12. SAFEGUARDING IMPLICATIONS**

- 12.1 The Strategic Plan contains a number of items relating to safeguarding adults and children falling under Priority 1: “Creating opportunity by supporting aspiration and tackling poverty”. The Strategic Measure set contains the measures “Percentage of children’s social care contacts completed within 24 hours”; “Percentage of children’s social care assessments completed within 45 days”; “Percentage of children on a child protection order visited within the last 4 weeks”; and “Percentage of child protection reviews completed in time”. Performance against all but one of measures (time to adoption) is currently below the Council’s minimum expectation.
- 12.2 The Council has developed an Improvement Plan for Children’s Services which was submitted to the Secretary State for Education in July 2017 and established a Children’s Services Improvement Board which will deliver the strategic oversight and challenge required to ensure that appropriate, timely change and impact is being delivered according to the Improvement Plan.
- 12.3 Against the Strategic Measure “Proportion of people over 65 receiving long term support, per 10,000 population”, performance is currently better than the Council’s stretch target, with 838.8 per 10,000 people over 65 receiving support, against a stretch target of 1305.

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### **Linked Reports, Appendices and Background Documents**

#### **Linked Report**

- NONE

#### **Appendices**

- Appendix 1 - provides detailed analysis of the Council’s 2017/18 Strategic Measures performance

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









- NONE

#### **Officer contact details for documents:**

Sharon Godman, Divisional Director Strategy, Policy and Partnerships

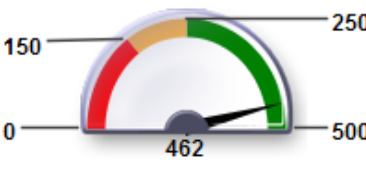
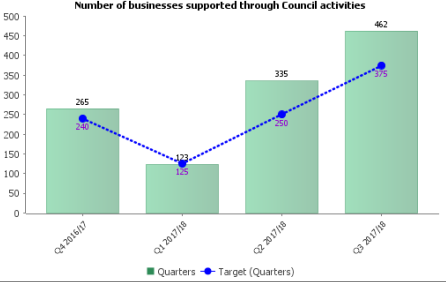


# Creating opportunity by supporting aspiration and tackling poverty

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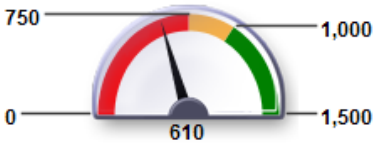
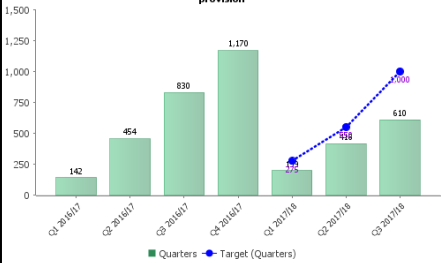
PI Status		Direction of Travel / Trends	
	Off Target / Alert / Warning		Improving
	Minimum Expectation met / OK		No Change
	On Target		Getting Worse
	Unknown		
	Data Only		

Traffic Light	
<b>Red</b>	<b>12</b>
<b>Green</b>	<b>3</b>
<b>Data only</b>	<b>1</b>

**Outcome: A dynamic local economy, with high levels of growth that is shared by residents**

Performance Indicator	Current Performance	Trend Chart	Q3 Outturn	Q3 Target	Long Term Trend Arrow	Status
BUS1 Number of businesses supported through Council activities	<p><b>Q3 2017/18 result</b></p> 	<p><b>Number of businesses supported through Council activities</b></p> 	462	375		
<p>The Enterprise Team has been actively engaging and supporting start-up businesses, referring them as appropriate to specialist enterprise development agencies, and supporting them to access new markets through supply chain work. Enterprises located both in the borough and externally are also assisted in finding suitable Tower Hamlets premises from which to run their business activities. The package of 'Business Ready' projects - Start Up, Retail Marketing, Supply and Growth – are all now in full operation. Through these supporting actions we have exceeded our in-year targets.</p> <p>The impact of our actions to support businesses by the end of Q3, has resulted in the following deliverables:</p> <ul style="list-style-type: none"> <li>• 170 pre start entrepreneurs benefited from training resulting in 54 enterprises being created covering a wide range of commercial activities</li> <li>• 7 enterprises have been supported in finding suitable accommodation.</li> <li>• 135 businesses assisted to improve retail and marketing performance</li> <li>• New sales generated through support projects amount to £1.8m (Supply Ready) and £103,000 (Retail Marketing Ready)</li> </ul>						

**Outcome: Residents into good quality, well-paid jobs**

Performance Indicator	Current Performance	Trend Chart	Q3 Outturn	Q3 Target	Long Term Trend Arrow	Status
WORK1 Tower Hamlets residents supported into work by the Council's Workpath partnership provision	<p><b>Q3 2017/18 result</b></p> 	<p><b>Tower Hamlets residents supported into work by the Council's Workpath partnership provision</b></p> 	610	1,000	↓	🛑
<p>The WorkPath service is focused on supporting economically inactive and long-term unemployed groups of residents (residents furthest from the labour market, potentially with multiple barriers to employment), those that require extensive support over a longer period of time to get them job ready and into employment.</p> <p><u>Activities this quarter include:</u></p> <ul style="list-style-type: none"> <li>• In November the Mayor's apprenticeship grant was launched. 101 employers were approached, 97 apprenticeships were created, and 6 apprenticeship starts were achieved. Website development continues, and the service is continuing to attend events (Job fairs, International Women's Day).</li> <li>• We are developing relationships with SERCO and their delivery partners Renaisi and Catch22 who are delivering the DWP and European Social Fund project Inspiring Families.</li> <li>• We have appointed a training provider to deliver construction training which began in Q2 and training has already been delivered to 93 TH residents which will further equip them in gaining employment in the industry.</li> <li>• Pre-employment training funding has been approved to continue previous sector specific and generic training i.e. Teaching Assistant, Mid Meal supervisor training, SIA (security industry) etc. Growth and Economic Development service have secured funding to increase the capacity of ESOL training delivered by the IDEA Stores and also a sector specific ESOL tutor has been recruited.</li> <li>• Work to refurbish the Watney Market shop front delivery site has been commissioned, opening to the public in 10 weeks.</li> </ul> <p>The 610 job starts recorded so far this year is broken down as follows:</p> <ul style="list-style-type: none"> <li>- 442 residents gained job outcomes as a result of interventions by the WorkPath service</li> <li>- 153 young people gained apprenticeships through the help of the Careers service</li> <li>- 15 job starts from iTRES (the Council's internal temporary agency)</li> </ul> <p>While the minimum expectation of 1,000 job starts has not been met, our employment successes include:</p> <ul style="list-style-type: none"> <li>• 153 young people gained Apprenticeships through the help of our Careers Service. There has been a 61% fall in Apprenticeship starts nationally and it is believed that this is a contributing factor in the Career Service's lower than expected outputs, affecting overall performance on this indicator</li> <li>• 539 residents gained job outcomes as a result of interventions by the WorkPath service of which 442 satisfy the 16hr, 4 week definition. This is a net increase of 153 (53%) since Q3 16/17.</li> <li>• Of these, 25.1% of sustainable jobs were 12 months + unemployed/economically inactive at registration compared to 28.4% in Q3 2016/17</li> <li>• Rerecorded Jobs achieving a salary of £20,000 + has increased 61% since Q3 16/17</li> <li>• 52 reported jobs were for residents who had been underemployed (working part-time i.e. less than 16 hours a week); they were supported in gaining new or additional employment. 25 of the 52 had been working less than 8 hours a week and are now averaging 32.6 hours per week.</li> <li>• 25 reported job outcomes were for residents 50+</li> </ul>						

Performance Indicator	Current Performance	Trend Chart	Q3 Outturn	Q3 Target	Long Term Trend Arrow	Status
WORK2 Overall employment rate - gap between the Borough employment rate and London average rate (working age)	<p><b>Q3 2017/18 result</b></p>	<p>Overall employment rate - gap between the Borough employment rate and London average rate (working age)</p>	11.6	2	↓	🔴
<p>The proportion of Tower Hamlets residents who are in employment is lower than the London average, and the Councils objective is to reduce this employment gap.</p> <p>We support this aspiration through the actions we take to create a dynamic local economy, with high levels of growth that are shared by residents, and through the WorkPath, getting residents into good quality, well-paid jobs. The actions we have taken to support our objective to close the employment gap are outlined above.</p> <p>The Tower Hamlets employment rate is 62.1% whilst the London average rate is 73.7% (Oct 16 – Sept 17). The gap has widened to 11.6ppts. The total numbers in employment for TH is 141,300, which is a net decrease of 4,400 since last quarters reporting. The working age population for TH has increased 0.26% since last quarters reporting whilst London has seen a 0.3% increase. These results are published by NOMIS and are survey based estimates with large confidence intervals and the sample size and the response rate of residents in Tower Hamlets has reduced.</p> <p>Estimates like these do not offer the level of accuracy ideally required for quarterly monitoring. What remains unclear from the NOMIS data alone is whether the survey is picking up some sort of slowdown in employment or not (though if it is it is very unlikely to be 9 11.6 percentage points). It is too early to tell with the data available. Going forward, we get new DWP benefits data (for Aug 2017) in late February – this will give us a better indication of trends in numbers claiming out-of-work benefits through to Autumn 2017.</p>						

**Outcome: Children get the best start in life**

Performance Indicator	Current Performance	Trend Chart	Q3 Outturn	Q3 Target	Long Term Trend Arrow	Status
LAC2 Number of adoptions and special guardianship orders granted for looked after children	<p><b>Q3 2017/18 result</b></p>	<p>Number of adoptions and special guardianship orders granted for looked after children</p>	19	33	↓	🔴
<p>Nineteen looked after children were adopted or under a special guardianship order to date for this year, missing the minimum expectation of 33. The number of adoption orders granted up to Q3 was lower than expected, due to court delays primarily relating to contested applications by birth parents. In addition, some of the complexities relating to some of the children placed with prospective adopters have resulted in delays in submitted adoption applications. Outturn for end of January 2018 has risen to 23.</p>						

Performance Indicator	Current Performance	Trend Chart	Q3 Outturn	Q3 Target	Long Term Trend Arrow	Status										
LAC1 Average time between a child entering care and moving in with adoptive family (Time to adoption)	<p><b>Q3 2017/18 result</b></p>	<p>Average time between a child entering care and moving in with adoptive family (Time to adoption)</p> <table border="1"> <caption>Average time between a child entering care and moving in with adoptive family (Time to adoption)</caption> <thead> <tr> <th>Quarter</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>Q2-2018/19</td> <td>633</td> </tr> <tr> <td>Q1-2017/18</td> <td>610</td> </tr> <tr> <td>Q2-2017/18</td> <td>612</td> </tr> <tr> <td>Q3-2017/18</td> <td>574.3</td> </tr> </tbody> </table>	Quarter	Value	Q2-2018/19	633	Q1-2017/18	610	Q2-2017/18	612	Q3-2017/18	574.3	574.3	610	↑	✔
Quarter	Value															
Q2-2018/19	633															
Q1-2017/18	610															
Q2-2017/18	612															
Q3-2017/18	574.3															
<p>This KPI is on target to be achieved. The impact of our work in this area is that more children benefit from stable placements sooner and are matched and placed with prospective adopters who can meet most, if not all, of their assessed needs.</p>																

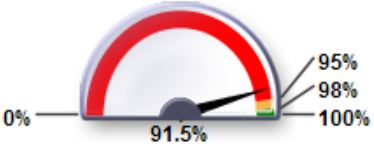
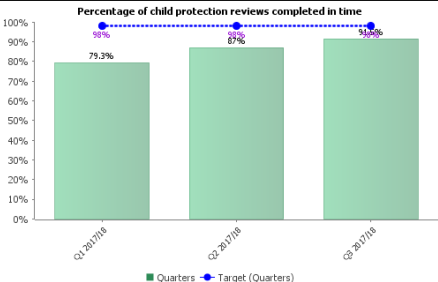
Performance Indicator	Current Performance	Trend Chart	Q3 Outturn	Q3 Target	Long Term Trend Arrow	Status										
LAC3 Percentage of looked after children in the same placement for two years or more	<p><b>Q3 2017/18 result</b></p>	<p>Percentage of looked after children in the same placement for two years or more</p> <table border="1"> <caption>Percentage of looked after children in the same placement for two years or more</caption> <thead> <tr> <th>Quarter</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>Q2-2018/19</td> <td>71.6%</td> </tr> <tr> <td>Q1-2017/18</td> <td>71.6%</td> </tr> <tr> <td>Q2-2017/18</td> <td>69.8%</td> </tr> <tr> <td>Q3-2017/18</td> <td>67.2%</td> </tr> </tbody> </table>	Quarter	Value	Q2-2018/19	71.6%	Q1-2017/18	71.6%	Q2-2017/18	69.8%	Q3-2017/18	67.2%	67.2%	71.6%	↓	✘
Quarter	Value															
Q2-2018/19	71.6%															
Q1-2017/18	71.6%															
Q2-2017/18	69.8%															
Q3-2017/18	67.2%															
<p>Whilst performance has improved compared to last quarter there has been more placement moves for children in care long term, compared to this time last year. Short term placement stability where children have had 3 or more moves within a year is targeted for improvement to bring the council performance (13.5% in December) in line with or exceeding England and statistical neighbour averages. To support this, changes were made in September to strengthen the process for approving placement moves so that avoidable moves can be prevented. The independent placement overview panel is now in place and work will continue to maintain and improve current long term placement stability. This impact of this work is that more children feel safe and secure with their adoptive parents with whom they are placed. Performance outturn for January 2018 has risen to 69.4%.</p>																

Performance Indicator	Current Performance	Trend Chart	Q3 Outturn	Q3 Target	Long Term Trend Arrow	Status								
CP1 Percentage of children's social care contacts completed within 24 hours	<p><b>Q3 2017/18 result</b></p>	<p>Percentage of children's social care contacts completed within 24 hours</p> <table border="1"> <caption>Percentage of children's social care contacts completed within 24 hours</caption> <thead> <tr> <th>Quarter</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>Q1-2017/18</td> <td>42.5%</td> </tr> <tr> <td>Q2-2017/18</td> <td>49.2%</td> </tr> <tr> <td>Q3-2017/18</td> <td>50.8%</td> </tr> </tbody> </table>	Quarter	Value	Q1-2017/18	42.5%	Q2-2017/18	49.2%	Q3-2017/18	50.8%	50.8%	95%	↑	✘
Quarter	Value													
Q1-2017/18	42.5%													
Q2-2017/18	49.2%													
Q3-2017/18	50.8%													
<p>In December we expected to see a reduction of contacts completed due to the holiday period. Performance has been consistently around the 60% figure since August with the exception of October which can be discounted on the basis that the IT outage prevented works being completed. It is encouraging that this has risen significantly in December to 74%. This is a positive trajectory that reflects our work to ensure referral responses are timely. We are due to completely review business processes so that we understand the reasons for improvement and what further work needs to be done to effect further improvement. Performance</p>														

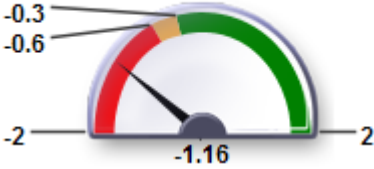
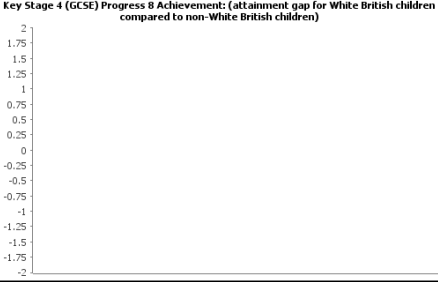
outturn for January 2018 has risen to 96%.

Performance Indicator	Current Performance	Trend Chart	Q3 Outturn	Q3 Target	Long Term Trend Arrow	Status
CP2 Percentage of children's social care assessments completed within 45 days	<p><b>Q3 2017/18 result</b></p>	<p><b>Percentage of children's social care assessments completed within 45 days</b></p>	67%	95%	↑	🔴
<p>89.2% of assessments in the month of December were completed within 45 days. This is the highest level of performance since the initial data cleansing exercise was undertaken in April 2017. Although we are closing on the target of 90%, we are now aware that current performance figures and YTD figures have been artificially lowered as a result of IT processing issues.</p> <p>However as predicted we are now achieving performance above the national and statistical neighbours (83.4% and 78.2% respectively). It is also noted in the audit that the quality is also improving; this now needs to become more consistent. The impact of this work is that more of children who are referred to the local authority have timely assessments of unmet need, so appropriate follow up actions can be progressed. Performance outturn for end of January 2018 has risen to 89.3%.</p>						

Performance Indicator	Current Performance	Trend Chart	Q3 Outturn	Q3 Target	Long Term Trend Arrow	Status
CP3 Percentage of children on a child protection order visited within the last 4 weeks	<p><b>Q3 2017/18 result</b></p>	<p><b>Percentage of children on a child protection order visited within the last 4 weeks</b></p>	81%	95%	↓	🔴
<p>The percentage of children on a child protection order visited within the last four weeks was 81% in December 2017; this was due to technical problems in December the prevented timely recording of visits, this has now been addressed and performance in January increased to 93.4% visits being on time. Child protection visiting frequency has improved in a number of teams with the best achieving 90% or more on time. The overall data is improving with a few teams requiring improvement in specific teams, most of which are recording delays. Managers are working to ensure that Tower Hamlets is fully compliance with the regulation governing statutory visits. Practice is on an improving trajectory to meet legal requirements. The impact of the ongoing work to raise compliance among all teams is that child protection plans are regularly monitored; ensuring children and young people are kept safe. Performance outturn for end of January 2018 has risen to 93%.</p>						

Performance Indicator	Current Performance	Trend Chart	Q3 Outturn	Q3 Target	Long Term Trend Arrow	Status
CP4 Percentage of child protection reviews completed in time	<p><b>Q3 2017/18 result</b></p> 	<p><b>Percentage of child protection reviews completed in time</b></p> 	91.5%	98%	↑	🔴
<p>Chairs are identifying issues and recording their oversight of cases. The CP Chairs are also recording follow up action on case notes but this has to be more consistent. Conferences are currently running at 91.5% within timescales which ensures that plans are being reviewed by Chairs to evaluate their effectiveness.</p> <p>Increasing the timeliness of child protection reviews ensures the safety, health and development of children is reviewed against planned objectives and outcomes set out in the Child Protection Plan, ensuring children continue to be safeguarded from harm and considering whether the Child Protection Plan should continue in place or should be changed. Performance outturn for end of January 2018 has risen to 92.7%.</p>						

Performance Indicator	Current Performance	Trend Chart	Q3 Outturn	Q3 Target	Long Term Trend Arrow	Status
EDU007 Attainment 8			47.2	54	?	🔴
<p>Final outturn for academic year 2016/17.</p> <p>Changes to the grading system for English &amp; mathematics GCSE have seen a fall in Attainment 8 outcomes at the national level and in London. Average Attainment 8 scores fell in every local authority area in England.</p> <p>The decline in LBTH was 3 points compared with a 3.7 point decline in average Attainment 8 scores seen nationally.</p>						

Performance Indicator	Current Performance	Trend Chart	Q3 Outturn	Q3 Target	Long Term Trend Arrow	Status
EDU002 Key Stage 4 (GCSE) Progress 8 Achievement: (attainment gap for White British children compared to non-White British children)	<p><b>2017/18 result</b></p> 	<p><b>Key Stage 4 (GCSE) Progress 8 Achievement: (attainment gap for White British children compared to non-White British children)</b></p> 	-1.16	-0.6	?	🔴
<p>Final Data - The gap in progress 8 has increased by 0.26 points as a result of both white British students having lower progress scores than last year (-0.67 to -0.80 points) and 'all other' students making greater progress than last year (+0.24 to +0.36 points). The attached confidence intervals (+/- 0.17 for White British pupils &amp; +/-0.05 for non-White British pupils) indicate that this difference is statistically significant.</p> <p>Several interventions to target this group have been made in the 2016/17 academic year, however; interventions have a long lead time before any effects on the gap measure are seen. For example the 'White British Aspirations Programme' was targeted at pupils in year groups 7 &amp; 8 and these pupils will not reach Key Stage 4 for another 3 years.</p>						



2016/17 interventions included:

- School Ready project – run with the Attendance and Welfare Service and the Parental Engagement Team. The average attendance of the White British pupils involved in the project was over 7ppts.
- The Jamie Oliver cooking programme – This programme targeted hard to reach families of secondary pupils who had not previously engaged with their child's education or school.
- Schools fostering positive aspirations - Tower Hamlets Education Business Partnership, and the council's Learning & Achievement Service successfully delivered a 'White British Aspirations Programme' with Langdon and George Green
- Secondary schools with pupils from Years 7 and 8 to foster aspirational attitudes and knowledge of future educational, vocational and careers pathways. It is hoped that this ongoing preventative work will narrow the educational attainment gap.

Performance Indicator	Current Performance	Trend Chart	Q3 Outturn	Q3 Target	Long Term Trend Arrow	Status																								
NEET1 16 to 19 year olds who are not in education, employment or training (NEET)		<table border="1"> <caption>16 to 19 year olds who are not in education, employment or training (NEET)</caption> <thead> <tr> <th>Quarter</th> <th>NEET Rate (%)</th> </tr> </thead> <tbody> <tr><td>Q1 2016/16</td><td>12.8%</td></tr> <tr><td>Q2 2016/16</td><td>17%</td></tr> <tr><td>Q3 2016/16</td><td>17%</td></tr> <tr><td>Q4 2016/16</td><td>10.59%</td></tr> <tr><td>Q1 2017/17</td><td>7.46%</td></tr> <tr><td>Q2 2017/17</td><td>17%</td></tr> <tr><td>Q3 2017/17</td><td>7.72%</td></tr> <tr><td>Q4 2017/17</td><td>6.4%</td></tr> <tr><td>Q1 2018/18</td><td>7.58%</td></tr> <tr><td>Q2 2018/18</td><td>17%</td></tr> <tr><td>Q3 2018/18</td><td>13.47%</td></tr> </tbody> </table>	Quarter	NEET Rate (%)	Q1 2016/16	12.8%	Q2 2016/16	17%	Q3 2016/16	17%	Q4 2016/16	10.59%	Q1 2017/17	7.46%	Q2 2017/17	17%	Q3 2017/17	7.72%	Q4 2017/17	6.4%	Q1 2018/18	7.58%	Q2 2018/18	17%	Q3 2018/18	13.47%	13.47%		↑	📈
Quarter	NEET Rate (%)																													
Q1 2016/16	12.8%																													
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Q4 2017/17	6.4%																													
Q1 2018/18	7.58%																													
Q2 2018/18	17%																													
Q3 2018/18	13.47%																													
<p>As schools and colleges confirm who has places in Post 16 Education the number recorded as NEET and unknown reduces. There is intensive work over the period from October to February to identify young people who are NEET or unknown and support them to move into further education, training or work reducing the NEET and unknown figures further over this period.</p> <p>There were 209 Tower Hamlets residents in Year 11 in Tower Hamlets Schools identified 'at risk of NEET' using RONI criteria attached as at 1st May 2017. By February 1st February 2018 through Careers Guidance, mentoring and placing support 196 (94%) had moved forward into Education Employment or Training of whom 193 meet the Raising the Participation Age requirement (the other 3 are in employment with non-accredited training).</p> <p>The November figure of 13.47% is below that of the same point in previous years (Nov 2016 was 19.34% and Nov 15 was 37.15%). We are below the London average for Nov16 of 10.2%, however, NEETs figures have significant seasonal fluctuations and performance is improving.</p>																														

**Outcome: People are healthy and independent for longer**

Performance Indicator	Current Performance	Trend Chart	Q3 Outturn	Q3 Target	Long Term Trend Arrow	Status								
ADULT3 Proportion of people over 65 receiving long term support, per 10,000 population		<table border="1"> <caption>Proportion of people over 65 receiving long term support, per 10,000 population</caption> <thead> <tr> <th>Quarter</th> <th>Value</th> </tr> </thead> <tbody> <tr><td>Q1 2017/18</td><td>774.7</td></tr> <tr><td>Q2 2017/18</td><td>742.9</td></tr> <tr><td>Q3 2017/18</td><td>838.8</td></tr> </tbody> </table>	Quarter	Value	Q1 2017/18	774.7	Q2 2017/18	742.9	Q3 2017/18	838.8	838.8	1,304.8	↑	✅
Quarter	Value													
Q1 2017/18	774.7													
Q2 2017/18	742.9													
Q3 2017/18	838.8													
<p>Our aspiration is to see the proportion of older residents receiving long-term care reduced. In order to achieve this we are undertaking a number of activities which are helping us to deliver a personalised approach to support residents social care needs including:</p> <ul style="list-style-type: none"> <li>• The creation of an adult social care principles and vision document that will enhance practitioners understanding of personalisation such as the use of direct payments.</li> <li>• Through the 'smarter care' pilot we have delivered training to mainstream the single handed care</li> </ul>														

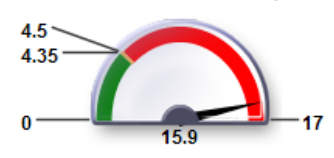
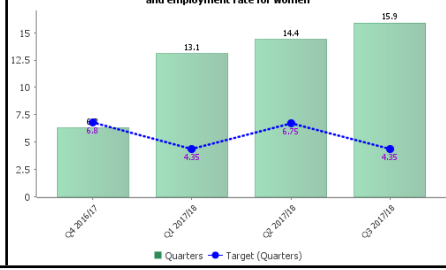
	<p>approach through the use of assistive technology; and</p> <ul style="list-style-type: none"> <li>Developing an approach to integrating equipment, adaptation, Telecare &amp; assistive technology into a single approach.</li> </ul> <p>Between Apr-Dec, we have provided long term support to 2,695 residents: 1392 received home care, 374 received day services, 507 received direct payments/ part direct payments, and 583 received nursing or residential care.</p> <p>As part of our ongoing improvement agenda we have undertaken a data quality exercise which found variances in historical outturns and we are pleased to report that our performance is above target. The improvements we are implementing are helping us to increase in efficiency and provide better support and care for service users.</p>
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**Outcome: Gaps in inequality have reduced and diversity is embraced**

During 2014-16, less than half of the borough’s BME women were in work and rates were lowest for Bangladeshi and Somali women (based on Census). Once in employment Bangladeshi workers are less likely than White workers to be employed in professional and managerial jobs and they are far more likely to work part time. Our aspiration is to reduce the gap in employment rates for women and for BME residents and the overall borough rate. The Council’s contribution to reducing this gap is through our WorkPath partnership service (see above).

Through the WorkPath, the following outcomes have been achieved this quarter:

- Secured funding to extend the Women in Health programme, next steps we are currently awaiting to finalise staff resources, training packages are being developed and placement opportunities secured.
- Appointed ELBA to deliver a Somali Graduate programme, to engage residents / employers and deliver 38 job outcomes over two years
- Working with key Council services and external partners to identify those residents who would benefit most from support, maximising engagement of women, disabled and BAME residents
- 216 of the 244 (88.5%) job starts were for BME females, 40.0% of the overall job starts (539), 200 of the 244 jobs satisfied the 16hr, 4 week definition
- 642 of the 1292 (49.7%) residents engaging with the WorkPath service for the first time Q1-Q3 were female, 577 of the 642 (89.9%) were BME female which equates to 44.7% of all resident engagement

Performance Indicator	Current Performance	Trend Chart	Q3 Outturn	Q3 Target	Long Term Trend Arrow	Status
<b>WORK4</b> Employment gap for women: reducing the gap between the Borough employment rate and employment rate for women	<b>Latest result for 2017/18 as of Q3 2017/18</b> 	<b>Employment gap for women: reducing the gap between the Borough employment rate and employment rate for women</b> 	15.9	4.35	↓	🛑
<p>The Tower Hamlets employment rate for Women has decreased 1.3ppts since last quarter’s reporting, whilst the London average has increased by 0.2ppts. The Gap between TH and London has widened by 1.5ppts to 15.9ppts compared to last quarter. The TH employment rate female is 51.3% whilst the London average rate is 67.2%. The total numbers of female residents in employment for TH is 55,200, which is a net decrease of 1,500 since last quarters reporting. The working age population female for TH has decreased 0.18% since last quarters reporting whilst the London average rate has only seen a 0.009% increase. These results are survey based estimates with large confidence intervals (see above).</p>						

Performance Indicator	Current Performance	Trend Chart	Q3 Outturn	Q3 Target	Long Term Trend Arrow	Status
<b>WORK5</b> Employment gap for BME residents: reducing the gap between the Borough employment rate and employment rate for BME residents	<b>Latest result for 2017/18 as of Q3 2017/18</b> 	<b>Employment gap for BME residents: reducing the gap between the Borough employment rate and employment rate for BME residents</b> 	15.7	5.85		
<p>The employment gap between TH and London has widened by 1.7ppts since last quarter to 15.7ppts. The TH employment rate BME is 50.4% whilst the London average rate is 66.1%. The total numbers in employment for TH is 60,500, which is a net increase of 300 since last quarters reporting. The working age population BME for TH has increased by 7,900 (6.36%) since last quarters reporting whilst the London average rate has seen a 0.93% increase (22,400). TH net increase contributes 35% of the London figure. These results are survey based estimates with large confidence intervals (see above).</p>						

# Creating and maintaining a vibrant and successful place

Generated on: 02 February 2018

PI Status		Direction of Travel / Trends	
	Alert		Improving
	Warning		No Change
	OK		Getting Worse
	Unknown		
	Data Only		

Traffic Light	
Red	1
Amber	2
Green	4
Data only	2

**Outcome: An improved local environment**

Performance Indicator	Current Performance	Trend Chart	Q3 Outturn	Q3 Target	Long Term Trend Arrow	Status
CLEAN1 Percentage of household waste sent for reuse, recycling and composting	<p><b>Q2 2017/18 result</b></p>	<p>Percentage of household waste sent for reuse, recycling and composting</p>	28.7%	29%		
<p>Waste and recycling is a key service for local authorities. Sending potentially recyclable material to landfill and other waste facilities is both expensive and damaging to the environment. We want to increase recycling rates in order to help reduce our waste collection costs as this should help save the Council money which can in turn help to limit the impact of public sector funding cuts.</p> <p>The recycling rate in Q2 was 28.7%, the target of 29% has been missed however performance is 0.4% higher than previous year in the same period of time. It has been observed that in Q2 there were less materials sent to the dirty Materials Recovery Facility (MRF) and therefore less residual recycling tonnage could be recovered from the general waste stream, this is due to operational issues at our MRF in that period of time. We are optimistic that all the above activities will bring positive results and will help to increase our recycling rate</p> <p>The activities we have implemented this quarter are:</p> <ul style="list-style-type: none"> <li>The “Love Your Neighbourhood” initiative, which is aimed at raising awareness and encouraging everyone in the community to play their part in keeping the borough clean and increase the amount of waste that is recycled.</li> <li>Two “Big Clean-Up” events have been organised where residents can get involved: The main purpose of this event is to show residents the importance of keeping the borough clean of waste and minimise waste as much as possible. A further event is scheduled for March.</li> <li>Making recycling sacks available in Idea Stores and libraries 7 days a week, helping to make recycling easier for residents.</li> <li>Establishing a waste stream contamination working group with a key purpose to identify how and where</li> </ul>						

	contamination of waste put forward for recycling is occurring. Actions can then be targeted to raise awareness within the community to improve the quality of waste that is sent to, and accepted for recycling, thereby further improving volumes recycled.
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**Outcome: People feel safe and places have less crime and anti-social behaviour**

Whilst the responsibility to tackle and reduce crime lies with the Metropolitan Police Service, the Council works in partnership with statutory partners to reduce the impacts of crime and disorder on the borough council also funds additional police officers to support neighbourhood policing and tackle the priority crimes and issues that matter most to residents, private enforcement action taken.

Performance Indicator	Current Performance	Trend Chart	Q3 Outturn	Q3 Target	Long Term Trend Arrow	Status																																
SAFE1 Total Notifiable Offences (number)	Cumulative result for 2017/18 as of December 2017 24,591	<p>Total Notifiable Offences (number)</p> <table border="1"> <tr><th>Quarter</th><th>Value</th></tr> <tr><td>Q1 2018/15</td><td>6,686</td></tr> <tr><td>Q2 2018/15</td><td>6,905</td></tr> <tr><td>Q3 2018/15</td><td>7,015</td></tr> <tr><td>Q4 2018/15</td><td>6,749</td></tr> <tr><td>Q1 2019/16</td><td>6,998</td></tr> <tr><td>Q2 2019/16</td><td>7,489</td></tr> <tr><td>Q3 2019/16</td><td>7,363</td></tr> <tr><td>Q4 2019/16</td><td>6,947</td></tr> <tr><td>Q1 2020/17</td><td>7,661</td></tr> <tr><td>Q2 2020/17</td><td>8,127</td></tr> <tr><td>Q3 2020/17</td><td>7,974</td></tr> <tr><td>Q4 2020/17</td><td>7,311</td></tr> <tr><td>Q1 2021/18</td><td>8,372</td></tr> <tr><td>Q2 2021/18</td><td>8,347</td></tr> <tr><td>Q3 2021/18</td><td>7,872</td></tr> </table>	Quarter	Value	Q1 2018/15	6,686	Q2 2018/15	6,905	Q3 2018/15	7,015	Q4 2018/15	6,749	Q1 2019/16	6,998	Q2 2019/16	7,489	Q3 2019/16	7,363	Q4 2019/16	6,947	Q1 2020/17	7,661	Q2 2020/17	8,127	Q3 2020/17	7,974	Q4 2020/17	7,311	Q1 2021/18	8,372	Q2 2021/18	8,347	Q3 2021/18	7,872	24,591 (YTD)	7,880 (Q3)		
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<p>Total Notifiable Offences (TNO): are all offences under United Kingdom law where the police must inform the Home Office by completing a crime report form for statistical purposes. There are strict rules regarding the recording of crime which is outlined in the Home office counting rules for recorded crime. TNO is used as a general marker for total crime in the borough.</p> <p>When comparing with neighbouring boroughs and the Met Police Total, in this quarter compared to the previous, there has been a general decrease in crime, with Tower Hamlets the second highest reduction out of the 7. Tower Hamlets and neighbouring borough performance compared to Q2.</p> <table border="1"> <tr> <td>Islington 7,803 (down 673 or 7.9%)</td> <td>Lewisham 6,188 (down 170 or 2.7%)</td> </tr> <tr> <td><b>Tower Hamlets 7,880 (down 476 or 5.7%)</b></td> <td>Southwark 8,756 (down 177 or 1.9%)</td> </tr> <tr> <td>Hackney 7,574 (down 402 or 5.0%)</td> <td>Newham 9,062 (up 255 or 2.9%)</td> </tr> <tr> <td>Greenwich 6,305 (down 172 or 2.7%)</td> <td></td> </tr> </table> <p>Council work that supports the crime reduction agenda this quarter include the following deliverables:</p> <ul style="list-style-type: none"> <li>Using our Integrated Offender Management system to refer 123 nominals to support services such as substance misuse support and employment interventions.</li> <li>Launch of Operation Continuum with police to target drug hotspots, resulting in 19 arrests for drug trafficking/possession, 12 addresses. Searched, 84 ASB warnings issued and 5 weapons sweeps completed.</li> <li>Council funded Partnership Taskforce (6 police officers) have stopped 768 individuals in hotspot areas leading to 118 searches and 48 arrests,</li> <li>Drafted new contract with the Met for additional PTF officers, including robust performance measures focussed on outcomes. Following sign-off of the S92 it will take 8-10 weeks to receive the first tranche of officers.</li> <li>Resources tasked to 14 locations via the Operations Group Meetings, responding to issues of youth ASB, moped ASB, drug dealing/use, prostitution and dog nuisance.</li> <li>1 Criminal Behaviour Order and 1 civil injunction issued to tackle ASB via engagement in drug &amp; alcohol treatment. THEOs working with police to encourage further utilisation of these tools for drug/alcohol related crime/ASB.</li> <li>18 Community Safety Ward Walkabouts completed with 102 separate locations visited. 44 out of 84 locations where action was taken have reported a significant reduction in 101 calls regarding ASB/drugs in the 3 months following the visit.</li> <li>ASB reports to Police in Q3 17/18 (3368) down 768 (-18.9%) compared to Q3 16/17 (4154).</li> </ul>							Islington 7,803 (down 673 or 7.9%)	Lewisham 6,188 (down 170 or 2.7%)	<b>Tower Hamlets 7,880 (down 476 or 5.7%)</b>	Southwark 8,756 (down 177 or 1.9%)	Hackney 7,574 (down 402 or 5.0%)	Newham 9,062 (up 255 or 2.9%)	Greenwich 6,305 (down 172 or 2.7%)																									
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Performance Indicator	Current Performance	Trend Chart	Q3 Outturn	Q3 Target	Long Term Trend Arrow	Status										
YS00001 Proven re-offending by young people	<p><b>Q3 2017/18 result</b></p>	<p><b>Proven re-offending by young people</b></p> <table border="1"> <caption>Proven re-offending by young people</caption> <thead> <tr> <th>Quarter</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>Q1 2017/18</td> <td>46.8</td> </tr> <tr> <td>Q2 2017/18</td> <td>50.7</td> </tr> <tr> <td>Q3 2017/18</td> <td>39.7</td> </tr> <tr> <td>Target (Quarters)</td> <td>43.2</td> </tr> </tbody> </table>	Quarter	Value	Q1 2017/18	46.8	Q2 2017/18	50.7	Q3 2017/18	39.7	Target (Quarters)	43.2	39.7	43.2	↑	✓
Quarter	Value															
Q1 2017/18	46.8															
Q2 2017/18	50.7															
Q3 2017/18	39.7															
Target (Quarters)	43.2															

**Outcome: Better quality homes for all**

The borough's population has more than doubled over the past 30 years, making Tower Hamlets the fastest growing local authority in the UK. Growth has been faster in the last ten years than in the decades before and the pace of growth is expected to continue with the population expected to reach 391,200 by 2027. In 2017 there were 18,726 households on the housing waiting list, the second highest among London boroughs and eighth highest nationally. Bangladeshi households are disproportionately affected by homelessness as are residents in younger age groups.

This is why we work in partnership with housing developers and Registered Providers to increase the availability of good quality housing, including family sized homes.

Performance Indicator	Current Performance	Trend Chart	Q3 Outturn	Q3 Target	Long Term Trend Arrow	Status												
HOME1 Number of affordable homes delivered (gross)	<p><b>Q3 2017/18 result</b></p>	<p><b>Number of affordable homes delivered (gross)</b></p> <table border="1"> <caption>Number of affordable homes delivered (gross)</caption> <thead> <tr> <th>Quarter</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>Q1 2018/17</td> <td>1,070</td> </tr> <tr> <td>Q1 2017/18</td> <td>219</td> </tr> <tr> <td>Q2 2017/18</td> <td>488</td> </tr> <tr> <td>Q3 2017/18</td> <td>518</td> </tr> <tr> <td>Target (Quarters)</td> <td>825</td> </tr> </tbody> </table>	Quarter	Value	Q1 2018/17	1,070	Q1 2017/18	219	Q2 2017/18	488	Q3 2017/18	518	Target (Quarters)	825	518	825	↓	⊘
Quarter	Value																	
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Q1 2017/18	219																	
Q2 2017/18	488																	
Q3 2017/18	518																	
Target (Quarters)	825																	
<p>The delivery of 80 affordable units this quarter means that we are well under our in-year target of 825 affordable homes and we are now forecasting a year-end outturn of 838 because a number of schemes that we had hoped would be complete in 2017/18 are not going to achieve this date. The council has no control over the achievement of this target, as completions are managed by independent developers and the purchasing RP's. There are no actions that the council team can take to influence these construction programme issues or to influence the actual date of handovers, which rely on the progress of final building works and often on unpredictable timing of connections to utilities. Delivery of completed units also depends on action taken several years earlier, and the council is not able to influence the number of developments that either submit satisfactory planning permissions, or then start on site.</p> <p>However, average annual completion figures over a three year period shows a steady increase. Tower Hamlets has a strong track record of housing delivery and continues to provide among the highest numbers of affordable homes in the country. Cabinet has also agreed alternative housing delivery vehicles to maximise the numbers of affordable homes delivered. In addition, delivery of affordable homes will also be progressed with Registered Providers (RPs) through the Right To Buy (RTB) Receipts programme and through a number of regeneration programmes which includes the Poplar Riverside Housing Zone.</p> <p>Deliverables this quarter:</p> <ul style="list-style-type: none"> <li>• 518 affordable homes delivered, 207 of which were family sized rented units</li> <li>• Contractor carrying out pre development works at Jubilee Street 24 Homes, Baroness Road 20 Homes, and Locksley Estate 33-50 Home (site A)</li> </ul>																		

<ul style="list-style-type: none"> <li>Completed consultations on empty properties grant scheme, Cabinet report being prepared</li> <li>16 homes for rent, funded by our Right to Buy receipts programme and a further 37 expected by year-end. The Council has re-launched the scheme and is encouraging RPs to apply for grants under Continuous Market Engagement.</li> </ul>
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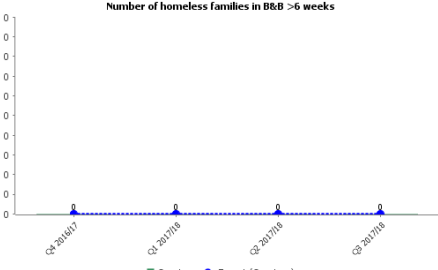


Performance Indicator	Current Performance	Trend Chart	Q3 Outturn	Q3 Target	Long Term Trend Arrow	Status															
HOME3 Number of affordable social rented housing completions for family housing (gross)	<p><b>Q3 2017/18 result</b></p>	<table border="1"> <caption>Number of affordable social rented housing completions for family housing (gross)</caption> <thead> <tr> <th>Quarter</th> <th>Actual Completions</th> <th>Target (Quarters)</th> </tr> </thead> <tbody> <tr> <td>Q2 2016/17</td> <td>326</td> <td>-</td> </tr> <tr> <td>Q1 2017/18</td> <td>91</td> <td>-</td> </tr> <tr> <td>Q2 2017/18</td> <td>171</td> <td>246</td> </tr> <tr> <td>Q3 2017/18</td> <td>207</td> <td>246</td> </tr> </tbody> </table>	Quarter	Actual Completions	Target (Quarters)	Q2 2016/17	326	-	Q1 2017/18	91	-	Q2 2017/18	171	246	Q3 2017/18	207	246	207	246	↑	⚠
Quarter	Actual Completions	Target (Quarters)																			
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Q1 2017/18	91	-																			
Q2 2017/18	171	246																			
Q3 2017/18	207	246																			
<p>Around 37% of households on the housing waiting list are living in over-crowded accommodation and 54% are in priority categories 1 and 2. Analysis indicates that 70% of households on the waiting list are from an ethnic minority, the majority of which are living in overcrowded conditions. There is a clear need for more affordable family sized housing and our policy target is that 45% of affordable homes delivered should be family sized.</p> <p>36 family sized units were achieved this quarter bringing the total so far this year to 207. The low number of affordable homes delivered has subsequently affected the delivery of family rented units. However, 69 of the 80 affordable homes delivered this quarter were rented units, all of which have been let to people on the common housing register or to those eligible for intermediate housing.</p> <p>These families are undoubtedly better off, as are the additional families who are able to move into better accommodation freed up by transferring tenants. The provision of these family sized units is likely to achieve a greater benefit for the families who move in than the production of smaller units, as their housing needs very often include overcrowding, which has impacts on health and the educational prospect of children.</p> <p>The affordable housing team continues to do a lot of successful work to influence the figures for delivery in future years, by our work on current planning applications to try to ensure that they meet our standards in terms of quality and mix of tenures. Registered Providers (RPs) and developers continue to cooperate in using the borough's recommended levels of Affordable Rents. These rent levels will be phased out for future schemes and replaced with London Affordable Rents and Tower Hamlets Living Rents, which were agreed by Cabinet in May 17. The next grant programme for RPs is currently being negotiated with partners and the GLA. Residents moving into RP properties in the 2016/20 programme will benefit from lower rent where RPs complies with the guidance. The first scheme to come forward on these new rents was the Council's own Watts Grove development which was let to families mainly on the Council's Common Housing Register in Q2. 7 units were 'top sliced' for the Pan London Housing Moves Scheme due to it being grant funded by the GLA. The 142 remaining units were let to families on the Council's Common Housing Register in Q2, thereby rehousing families often living in overcrowded unsuitable homes, into more suitable accommodation. The new Tower Hamlets Living Rent (THLR) will be more affordable to people on median incomes.</p>																					

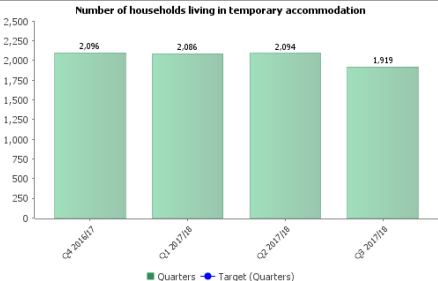


Performance Indicator	Current Performance	Trend Chart	Q3 Outturn	Q3 Target	Long Term Trend Arrow	Status															
HOME2 Number of affordable units provided as wheelchair accessible or adaptable (10% of affordable homes delivered)	<p><b>Q3 2017/18 result</b></p>	<p>Number of affordable units provided as wheelchair accessible or adaptable (10% of affordable homes delivered)</p> <table border="1"> <caption>Number of affordable units provided as wheelchair accessible or adaptable (10% of affordable homes delivered)</caption> <thead> <tr> <th>Quarter</th> <th>Actual</th> <th>Target</th> </tr> </thead> <tbody> <tr> <td>Q2-2018/17</td> <td>106</td> <td>52</td> </tr> <tr> <td>Q1-2017/18</td> <td>53</td> <td>52</td> </tr> <tr> <td>Q2-2017/18</td> <td>80</td> <td>52</td> </tr> <tr> <td>Q3-2017/18</td> <td>98</td> <td>52</td> </tr> </tbody> </table>	Quarter	Actual	Target	Q2-2018/17	106	52	Q1-2017/18	53	52	Q2-2017/18	80	52	Q3-2017/18	98	52	98	52	↓	✓
Quarter	Actual	Target																			
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Q1-2017/18	53	52																			
Q2-2017/18	80	52																			
Q3-2017/18	98	52																			
<p>Project 120 was initiated to tackle problems in the development of suitable wheelchair properties and the Council and its RP partners are actively working with developers to ensure that future wheelchair units are more suitable to meet the needs of those on the Project 120 list. Officers are also trying to address this situation by exploring the possibility of taking 'commuted sums' from developers on sites which are demonstrably unable to deliver suitable wheelchair units. This is to be addressed as a new policy in the Local Plan (Reg 19 version) subject to independent examination under the authority of the Secretary of State.</p> <p>In Q3 19% of affordable homes were wheelchair accessible or adaptable; our target is for 10% was exceeded. Due to errors in the report for Quarter 2, an adjustment has been made to take the actual completions of 15 up to 18. This error highlights the difficulty of getting accurate information from RP's about completions in good time to complete quarterly figures.</p> <p>The new occupants of those homes are much better off living in homes designed and built to the best modern wheelchair accessible standards.</p>																					

Performance Indicator	Current Performance	Trend Chart	Q3 Outturn	Q3 Target	Long Term Trend Arrow	Status															
FAM1 The percentage of overcrowded families rehoused, lets to overcrowded households (%)	<p><b>Q3 2017/18 result</b></p>	<p>The number of overcrowded families rehoused, lets to overcrowded households (%)</p> <table border="1"> <caption>The number of overcrowded families rehoused, lets to overcrowded households (%)</caption> <thead> <tr> <th>Quarter</th> <th>Actual</th> <th>Target</th> </tr> </thead> <tbody> <tr> <td>Q2-2018/17</td> <td>48</td> <td>50</td> </tr> <tr> <td>Q1-2017/18</td> <td>58</td> <td>50</td> </tr> <tr> <td>Q2-2017/18</td> <td>55</td> <td>50</td> </tr> <tr> <td>Q3-2017/18</td> <td>53</td> <td>50</td> </tr> </tbody> </table>	Quarter	Actual	Target	Q2-2018/17	48	50	Q1-2017/18	58	50	Q2-2017/18	55	50	Q3-2017/18	53	50	53	50	↑	✓
Quarter	Actual	Target																			
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Q1-2017/18	58	50																			
Q2-2017/18	55	50																			
Q3-2017/18	53	50																			
<p>53.43% of the total lets were to overcrowded households (709 overcrowded families rehoused).</p> <p>Whilst the target for Q3 has been exceeded, it is however worth noting that the Council has little influence over applicants' bidding strategy because of choice based lettings – which allows applicants to choose what they consider suitable for them. The Common Housing Register partners facilitate Open Day events for residents, and officers to continue to encourage applicants to exercise different housing options and be more flexible in their bidding.</p> <p>In addition to the health and educational benefits of reducing overcrowding in homes, the high number of lets to overcrowded applicants also has a positive impact on preventing homelessness because many applicants that do approach the council as homeless are often from accommodation that is overcrowded.</p>																					



The Council is committed to tackling homelessness, including through improved prevention and a reduction in families in temporary accommodation. We are therefore committed to doing what we can to legally comply with legislation by ensuring that there are no families in B&B accommodation for more than 6 weeks.

Performance Indicator	Current Performance	Trend Chart	Q3 Outturn	Q3 Target	Long Term Trend Arrow	Status
FAM2 Number of homeless families in B&B >6 weeks	<p><b>Q3 2017/18 result</b></p> 	<p>Number of homeless families in B&amp;B &gt;6 weeks</p> 	0	0		
<p>There have been no families in B&amp;B for longer than 6 weeks since September 2016 so the Council has achieved legal compliance on this indicator for 15 months in succession. This has benefited homeless families with dependent children and pregnant women. The Council has held its position of being the most improved borough in London on the use of B&amp;B, such that it has been highlighted in a LGA report for good practice. We have very few families with dependent children being placed into B&amp;B and where this is unavoidable the families are moved to self-contained accommodation very quickly. Unfortunately, this success has only been possible by obtaining properties over a wider geographical area, but the Council is actively working to increase its stock of temporary accommodation within the borough. Overall, the number of households in temporary accommodation is reducing and the number of homeless applications has also seen a reduction. Sustaining legal compliance in the use of B&amp;B accommodation means that children in homeless families are better off because they are moving much more quickly into self-contained accommodation, spending less time in bed &amp; breakfast hotels.</p>						

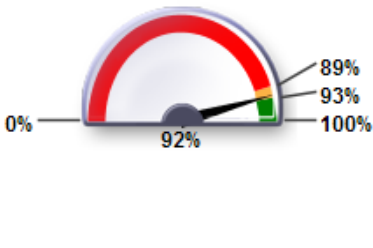
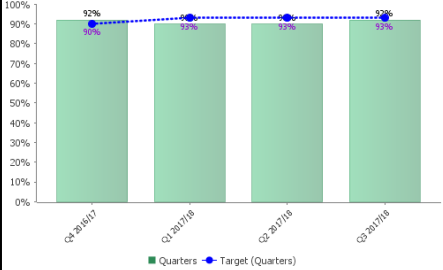


Performance Indicator	Current Performance	Trend Chart	Q3 Outturn	Q3 Target	Long Term Trend Arrow	Status
FAM3 Number of households living in temporary accommodation	<p><b>Q3 2017/18 result</b></p> <p>1,919</p>	<p>Number of households living in temporary accommodation</p> 	1,919			
<p>Homeless households benefit from moving out of temporary and into settled accommodation. There were a total of 2185 households in temporary accommodation, a reduction from 2210 at 31/3/17; of these 1919 were owed the full homeless duty, a reduction from 2096 at 31/3/17. This means the Council has achieved a small reduction in the number of households in temporary accommodation since March 2017; meaning fewer households living in TA. Homeless households benefit from moving out of temporary and into settled accommodation. 53% (1163) of those living in temporary accommodation were housed outside of Tower Hamlets. In order to meet demands, deliver statutory duties and achieve legal compliance in the use of B&amp;B accommodation, the Council has had to obtain properties over a wider geographical area to house homeless families. This is against a backdrop of an increasingly short supply of affordable properties available locally, for use as Temporary Accommodation. The Council however is actively working to increase its stock of temporary accommodation within the borough.</p>						

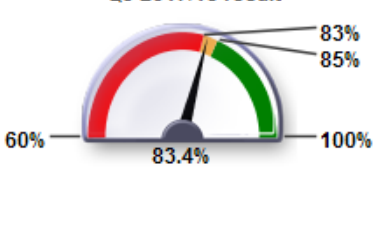
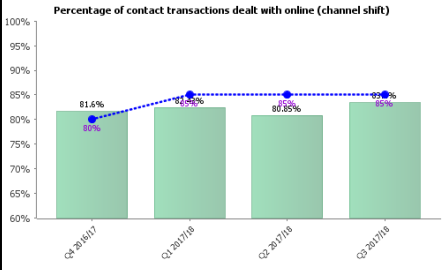


# Working smarter together as one team with our partners and community

Generated on: 02 February 2018

PI Status		Direction of Travel / Trends	
	Alert		Improving
	Warning		No Change
	OK		Getting Worse
	Unknown		
	Data Only		

Traffic Light	
Red	1
Amber	2
Green	2

Performance Indicator	Current Performance	Trend Chart	Q3 Outturn	Q3 Target	Long Term Trend Arrow	Status
CUST1 Customer Access Overall Satisfaction (telephone contact)	<p><b>Q3 2017/18 result</b></p> 	<p><b>Customer Access Overall Satisfaction (telephone contact)</b></p> 	92%	93%		
<p>Customer satisfaction (telephone contact) remains high. The introduction of improved telephony and associated staff training is expected to maintain high levels of satisfaction.</p> <p>The wider Customer Access Programme, will see the consolidation of telephone contact numbers and insure customers across all parts of the business experience a high level customer service when contacting us by phone.</p>						

Performance Indicator	Current Performance	Trend Chart	Q3 Outturn	Q3 Target	Long Term Trend Arrow	Status
CUST2 Percentage of contact transactions dealt with online (channel shift)	<p><b>Q3 2017/18 result</b></p> 	<p><b>Percentage of contact transactions dealt with online (channel shift)</b></p> 	83.4%	85%		

We have been witnessing a progressive growth of contact transaction dealt with online this year. As part of our Customer Access programme we will be reviewing our entire online offer to make it more user friendly and encourage greater levels of online self service, which should enable us to meet the targets. During the re-writing process of our online services, workshops with target groups will be carried out to market test our digital products.

Performance Indicator	Current Performance	Trend Chart	Q3 Outturn	Q3 Target	Long Term Trend Arrow	Status																																
REV1 Percentage of Council Tax Collected (budgeted)	<p><b>Q3 2017/18 result</b></p> <p>0% ————— 99% 76.48% ————— 75% ————— 67.5% ————— 73.5%</p>	<p><b>Percentage of Council Tax Collected (budgeted)</b></p> <table border="1"> <caption>Percentage of Council Tax Collected (budgeted)</caption> <thead> <tr> <th>Quarter</th> <th>Percentage</th> </tr> </thead> <tbody> <tr><td>Q1 2018/15</td><td>90%</td></tr> <tr><td>Q2 2018/15</td><td>90%</td></tr> <tr><td>Q3 2018/15</td><td>76.03%</td></tr> <tr><td>Q4 2018/15</td><td>90%</td></tr> <tr><td>Q1 2017/16</td><td>26.42%</td></tr> <tr><td>Q2 2017/16</td><td>26.2%</td></tr> <tr><td>Q3 2017/16</td><td>51.24%</td></tr> <tr><td>Q4 2017/16</td><td>90%</td></tr> <tr><td>Q1 2017/17</td><td>90%</td></tr> <tr><td>Q2 2017/17</td><td>90%</td></tr> <tr><td>Q3 2017/17</td><td>90%</td></tr> <tr><td>Q4 2017/17</td><td>90%</td></tr> <tr><td>Q1 2017/18</td><td>90%</td></tr> <tr><td>Q2 2017/18</td><td>90%</td></tr> <tr><td>Q3 2017/18</td><td>76.48%</td></tr> </tbody> </table>	Quarter	Percentage	Q1 2018/15	90%	Q2 2018/15	90%	Q3 2018/15	76.03%	Q4 2018/15	90%	Q1 2017/16	26.42%	Q2 2017/16	26.2%	Q3 2017/16	51.24%	Q4 2017/16	90%	Q1 2017/17	90%	Q2 2017/17	90%	Q3 2017/17	90%	Q4 2017/17	90%	Q1 2017/18	90%	Q2 2017/18	90%	Q3 2017/18	76.48%	76.48%	75%	↑	✓
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REV2 Percentage of Non-Domestic Rates Collected (budgeted)	<p><b>Q3 2017/18 result</b></p> <p>0% ————— 100% 86.57% ————— 75% ————— 75%</p>	<p><b>Percentage of Non-Domestic Rates Collected (budgeted)</b></p> <table border="1"> <caption>Percentage of Non-Domestic Rates Collected (budgeted)</caption> <thead> <tr> <th>Quarter</th> <th>Percentage</th> </tr> </thead> <tbody> <tr><td>Q1 2018/15</td><td>33.06%</td></tr> <tr><td>Q2 2018/15</td><td>58.76%</td></tr> <tr><td>Q3 2018/15</td><td>87.12%</td></tr> <tr><td>Q4 2018/15</td><td>90%</td></tr> <tr><td>Q1 2017/16</td><td>29.82%</td></tr> <tr><td>Q2 2017/16</td><td>57.33%</td></tr> <tr><td>Q3 2017/16</td><td>89.67%</td></tr> <tr><td>Q4 2017/16</td><td>90%</td></tr> <tr><td>Q1 2017/17</td><td>28.38%</td></tr> <tr><td>Q2 2017/17</td><td>56.88%</td></tr> <tr><td>Q3 2017/17</td><td>85.27%</td></tr> <tr><td>Q4 2017/17</td><td>90%</td></tr> <tr><td>Q1 2017/18</td><td>30.29%</td></tr> <tr><td>Q2 2017/18</td><td>58.02%</td></tr> <tr><td>Q3 2017/18</td><td>86.57%</td></tr> </tbody> </table>	Quarter	Percentage	Q1 2018/15	33.06%	Q2 2018/15	58.76%	Q3 2018/15	87.12%	Q4 2018/15	90%	Q1 2017/16	29.82%	Q2 2017/16	57.33%	Q3 2017/16	89.67%	Q4 2017/16	90%	Q1 2017/17	28.38%	Q2 2017/17	56.88%	Q3 2017/17	85.27%	Q4 2017/17	90%	Q1 2017/18	30.29%	Q2 2017/18	58.02%	Q3 2017/18	86.57%	86.57%	75%	↑	✓
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HR1 Number of working days/shifts lost to sickness absence per employee	<p><b>Latest result for Q3 2017/18 as of September 2017</b></p> <p>0 ————— 14 10.6 ————— 8.91 ————— 8.262</p>	<p><b>Number of working days/shifts lost to sickness absence per employee</b></p> <table border="1"> <caption>Number of working days/shifts lost to sickness absence per employee</caption> <thead> <tr> <th>Quarter</th> <th>Value</th> </tr> </thead> <tbody> <tr><td>Q1 2018/15</td><td>7.12</td></tr> <tr><td>Q2 2018/15</td><td>7.23</td></tr> <tr><td>Q3 2018/15</td><td>7.54</td></tr> <tr><td>Q4 2018/15</td><td>8.11</td></tr> <tr><td>Q1 2017/16</td><td>8.32</td></tr> <tr><td>Q2 2017/16</td><td>8.39</td></tr> <tr><td>Q3 2017/16</td><td>8.8</td></tr> <tr><td>Q4 2017/16</td><td>9.25</td></tr> <tr><td>Q1 2017/17</td><td>9.49</td></tr> <tr><td>Q2 2017/17</td><td>9.73</td></tr> <tr><td>Q3 2017/17</td><td>9.65</td></tr> <tr><td>Q4 2017/17</td><td>10.29</td></tr> <tr><td>Q1 2017/18</td><td>9.72</td></tr> <tr><td>Q2 2017/18</td><td>10.27</td></tr> <tr><td>Q3 2017/18</td><td>10.6</td></tr> </tbody> </table>	Quarter	Value	Q1 2018/15	7.12	Q2 2018/15	7.23	Q3 2018/15	7.54	Q4 2018/15	8.11	Q1 2017/16	8.32	Q2 2017/16	8.39	Q3 2017/16	8.8	Q4 2017/16	9.25	Q1 2017/17	9.49	Q2 2017/17	9.73	Q3 2017/17	9.65	Q4 2017/17	10.29	Q1 2017/18	9.72	Q2 2017/18	10.27	Q3 2017/18	10.6	10.6	8.1	↓	⊘
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<p>Our One HR Plan includes a number of actions to improve staff wellbeing and reduce levels of sickness absence. We have carried out a Staff Wellbeing survey to inform our new Staff Wellbeing Plan. In the autumn, we launched our "Employee Assistance Programme" to provide a range of advice services designed to support mental wellbeing. In addition we have started to review our Occupational Health service to ensure it meets the needs of staff and the organisation. Alongside this, we have started to review the sickness absence management procedure and will be providing training to managers and staff on the procedure once it has been finalised. We are changing the way we are reporting sickness absence levels to focus on outcomes instead of compliance with procedures.</p>																																						

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