

**Tower Hamlets: Time to Act**  
**One Year on**

**Commissioner Report**

**Introduction - The Fairness Commission Movement:**

Since the 'Time to Act' Report was launched last September, we have been delighted to see many of the themes of the report receive national interest and a broad coalition of support. From campaigns by the Church of England, to changes in Government policy, and proposed policies from the major political parties, we have seen changes across each of our three themes: Money, Jobs and Housing.

We have also been pleased to be part of a growing movement of Fairness Commissions, with an increasing number of councils choosing to hold Fairness Commissions, including Oldham, Southampton and Lancashire.

This growing movement has created a platform from which local councils can campaign for change and develop alternative policies which contribute to a more equal society. Through the Fairness Commission Tower Hamlets is now signed up to the Birmingham Declaration on Social Inclusion, in which Councils have committed to share learning and develop joint campaigns on social inclusion. In June 2014, Islington Council, the New Economics Foundation and the Equality Trust hosted a Fairness Convention to bring together those involved in previous commissions to explore local approaches to tackling inequality and poverty.

The positive role that Fairness Commissions can play in tackling poverty was also recognised by the All Party Parliamentary Group on Poverty who, together with the Webb Memorial trust, commissioned a report on "Approaches to Reducing Poverty and Inequality in the UK: A Study of Civil Society Initiatives and Fairness Commissions" which we were honoured to provide evidence to and which highlights the role for Fairness Commissions in tackling poverty.

Finally, there is also now a discussion about holding a London-wide Fairness Commission, which our learning and recommendations could feed into and help have an even wider impact.

## **National Progress and Influence:**

To summarise the impact we feel has been seen in the year since the report was published, we would like to highlight the following developments in each of the three areas of the report as well as provide our personal reflections on progress.

### **Money:**

#### **Recommendation 1: Eradicating the poverty premium**

- The announcement at the Labour Party Conference in September that a future manifesto commitment will be to freeze energy prices, helping to address concerns around utility prices, however it doesn't directly address the additional costs of metered electricity.
- The London Assembly have recently announced that the Economy Committee will be undertaking a review of indebtedness in London, to be led by Jenny Jones.

#### **Recommendation 3: Limiting unhealthy businesses**

- The government planning policy consultation, launched this July, proposes the creation of a separate planning use class for betting shops and payday loan companies. This would allow local authorities to limit the number of betting shops and payday loan companies operating on the high street.
- The Financial Conduct Agency Proposals for a price cap on high cost short term credit which went out to consultation in July 2014. However, whilst we welcome the idea of a cap, the proposed limit of daily interest at 0.8 per cent is only marginally less than what is currently being charged, and risks legitimising current high prices.

#### **Recommendation 4: Supporting the credit union**

- The Church of England's commitment to supporting credit unions and to "compete [pay day loan companies] out of business". Including their new scheme to pilot a credit union network in three of its dioceses, including London. The church credit champions network will support churches to engage with their congregations on finance and support responsible credit providers to grow and widen their customer base.

#### **Recommendation 6: Responding to Welfare Reform**

- The passing of the Private Members Bill introduced by Andrew George MP which would introduce new exemptions to the “bedroom tax” / “spare room subsidy”, for disabled adults and for households who have not been able to secure suitable smaller accommodation.

### **Jobs:**

#### Recommendation 7: That all schools offer a wide curriculum and provide aspirational opportunities to students

- The announcement by the Labour Party that they will include a manifesto commitment to reintroduce compulsory work experience and interdependent careers advice services.

#### Recommendation 8: Reimagining employment services

- The first report by the Local Government Innovation Taskforce, commissioned for the Labour Party Policy Review sets out how standardised and centralised public services are not working the need for a radical reconfiguration, with a focus on place and people centred approaches. We hope this will pave the way for more locally-commissioned and delivered employment support services.
- On the other side of the political divide Policy Exchange published a report this summer ‘Joined up Welfare’ which argued that Jobcentres are failing to help people find long-term work and should be restructured under new plans that will enable private companies and charities to compete with government providers to offer more personalised and specialist support to jobseekers.
- Also this summer, an independent report commissioned by the Department for Work and Pensions identified systematic failures in the way benefit sanctions are administered and imposed, with disproportionate impact on the most vulnerable people
- An IPPR ‘Alright for some: fixing the Working Programme locally’ found that the Work Programme has performed very poorly for Employment and Support Allowance claimants, failing to offer the support needed for those with more complex needs.

- Finally a 2013 National Audit Office report ‘responding to change in jobcentres’ criticised the use of benefit ‘off-flows’ as Jobcentre Plus’ key performance indicator.

Recommendation 11: That the council sets ambitious targets for the expansion of childcare provision and leads work to develop new and alternative models of provision such as workplace childcare, coproduced and co-operative provision.

- The 2014 London Childcare Report which was published in September and highlights the growing costs of childcare in the capital, the lack of provision for under two year olds and the lack of progress in providing childcare for families with flexible and atypical work patterns.
- The announcement by the Labour Party that they will increase the number of free hours of childcare for three and four year olds from fifteen hours a week to twenty-five hours a week.
- The Government’s announcement that it is fast tracking the new childcare voucher scheme, so that all families with children under the age of twelve will receive 20 per cent funding for childcare costs up to £10,000, from Autumn next year.
- The IPPR report, “Childmind the gap: Reforming childcare to support mothers into work”, published in February 2014, which recommended increasing childcare for children under two, and an aim for childcare costs to account for no more than 10 per cent of a families’ income to be achieved through supply-side rather than demand-side interventions.

### **Housing:**

Recommendation 12: The government reduce restrictions on local authority borrowing, does not top-slice the new homes bonus, allows local authorities to keep all proceeds from Right to Buy sales, and covenants are introduced to Right to Buy to limit conversation to buy to let

- The Government’s announcement, in the Autumn Statement 2013, that the Housing Revenue Account cap has been raised by £300m nationally, with Councils able to bid to produce the new homes. We are especially pleased that Tower Hamlets has successfully bid for £8.2m which will enable the building of forty-eight new homes.

Recommendation 14: Illustrate the negative impact of foreign investment

- The Mayor of London's "Mayoral Concordat", announced in March 2014, which asks developers building in London to commit to marketing homes in new developments to Londoners either first or at the same time as to buyers from other countries. This has now been signed by fifty large developers.

Recommendation 15: Explore creation of a living rent

- Camden Council's report 'Rent stabilisation: Principles and international experience' published this September which recommends that Camden Council work with landlords to introduce longer term tenancies with agreed index linked rent increases. However we recognise that without national legislation, any scheme will be voluntary and may face difficulties in attracting landlords willing to participate.
- The announcement by the Labour Party that they will include a manifesto commitment on private sector rents which would introduce three year tenancies as standard and an upper ceiling on rent increases. This would create both more stability and affordability into the rented sector.

Recommendation 16: Improve the standard of housing in the private rented sector

- There are currently sixteen Department for Communities and Local Government approved Landlord Accreditation Schemes in operation across the UK, over the last few months many other local authorities are now considering some form of accreditation including Camden and Waltham Forest.

**Local Progress**

We have also been really impressed with the progress which has been made locally with delivering our recommendations. These are set out in full in the one year monitoring table and we are pleased to see that there has been progress towards all of our recommendations. Some of the areas where we have seen real strides being made include:

Recommendation 1: That the poverty premium be eradicated in Tower Hamlets

The development of the Energy co-op is making affordable energy a reality for Tower Hamlets residents. The fact that this is expanding into exciting new partnerships which will offer green solar energy will drive forward greater sustainability as well as greater fairness.

Recommendation 2: Tower Hamlets becomes an online borough

Organisations across the borough have clearly begun a significant stream of work towards greater digital inclusion. A multi-agency action group is being set up and is already developing a really exciting programme, to be kick-started later this month in a Tower Hamlets Online Week alongside the creation of a partnership strategy and action plan.

Recommendation 8: Reimagine local employment services so they work better for local people and businesses

The Council has reached agreement with Job Centre Plus on a Memorandum of Understanding and is developing a system for supporting residents into employment and monitoring their progress which can be shared across the range of local agencies supporting local people into employment.

Recommendation 16: That the standard of private rented accommodation is improved, and tenants better protected, through a landlord licensing scheme for Tower Hamlets

A private sector licensing scheme was a key Manifesto commitment of the Mayor and this is already being driven forward with Cabinet agreeing to undertake consultation and develop the evidence base to progress a local scheme.

It is heartening to see progress being taken forward by other agencies as well as the council.

The Education Business Partnership is to progress our recommendation about work experience for young people – launching the ‘750 club’ - a campaign to secure pledges from local employers to provide a set number of high quality

work experience placements. Barclays are to provide advice and communications support for this campaign.

### **A final note from us**

We have been absolutely delighted by and impressed with the progress that has been made locally in implementing our recommendations, as well as the national and regional developments highlighted above. We're so pleased and very proud that the report has been such a catalyst for change. The council in particular has taken on a strong leadership role and we'd like to say a huge thank you to all the council officers who are making change happen.

Who knew when we set out on our first 'walkabout' in Bethnal Green, that our impressions and feedback would spark such change – informing our recommendations about housing but also the 'health' of our local high streets and our strong views of the detrimental impact that some businesses can have on an area and its residents. It's excellent that issues around gambling and fast food outlets are being explored in such detail, and we think that local communities will be grateful to see that their voice on those issues is being heard.

The challenges of austerity: welfare reform, public sector cuts, financial and digital exclusion, and supporting people into employment, remain complex and interlinked. We'd love to see people and organisations in Tower Hamlets tackle that head on, finding a way out for people stuck in a cycle of benefit pressures, low wages and rising costs of living. We still believe that this can only be done by local public, private and voluntary sector organisations working together with local people. In this respect Tower Hamlets has enormous assets: a population rich in experience and youth, creativity and innovation as well as its thriving economy and civic life.

The one area where we see less progress being made is in the partnership with businesses, particularly those in Canary Wharf, and a sense of bringing them into community life in Tower Hamlets. There are clearly some practical ways in which they could become involved with local organisations over the next year: work experience for young people, the community banking partnership, high streets policy and digital inclusion and we hope working together on these issues brings them closer to the rest of the borough.

We are keenly aware that although much progress has been made, activity such as this can take many years to see the full impact. We were pleased to hear that the Council and its partners will build on many of our themes and recommendations in refreshing its Community Plan this year. Maintaining a

sense of momentum and progress is important and although the Fairness Commission project has formally come to the end of its life, we would like to offer the opportunity to reconvene each year and review progress against key objectives, maintaining the idea of the Fairness Commission and offering some friendly external scrutiny.