

CABINET

MAYOR

Mayor John Biggs

CABINET MEMBERS

Councillor Sirajul Islam	(Statutory Deputy Mayor and Cabinet Member for Housing Management & Performance)
Councillor Shiria Khatun	(Deputy Mayor and Cabinet Member for Community Safety)
Councillor Rachael Saunders	(Deputy Mayor and Cabinet Member for Education & Children's Services)
Councillor Rachel Blake	(Cabinet Member for Strategic Development)
Councillor Asma Begum	(Cabinet Member for Culture)
Councillor David Edgar	(Cabinet Member for Resources)
Councillor Ayas Miah	(Cabinet Member for Environment)
Councillor Joshua Peck	(Cabinet Member for Work & Economic Growth)
Councillor Amy Whitelock Gibbs	(Cabinet Member for Health & Adult Services)

[The quorum for Cabinet is 3 Members]

MEETING DETAILS

Tuesday, 14 June 2016 at 5.30 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

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Contact for further enquiries:

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1st Floor, Town Hall, Mulberry Place, 5 Clove Crescent, London, E14 2BG
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Web: <http://www.towerhamlets.gov.uk>

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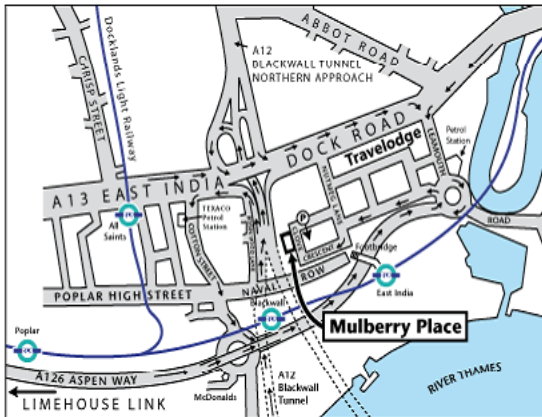
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A Guide to CABINET

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

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, 16 June 2016**
- The deadline for call-ins is: **Thursday, 23 June 2016**

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, 14 JUNE 2016

5.30 p.m.

	Pages
1. APOLOGIES FOR ABSENCE	
To receive any apologies for absence.	
2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS	1 - 4
To note any declarations of interest made by Members, including those restricting Members from voting on the questions detailed in Section 106 of the Local Government Finance Act, 1992. See attached note from the Monitoring Officer.	
3. UNRESTRICTED MINUTES	5 - 14
The unrestricted minutes of the Cabinet meeting held on 10 May 2016 are presented for approval.	
4. OVERVIEW & SCRUTINY COMMITTEE	
4.1 Chair's Advice of Key Issues or Questions	
Chair of Overview and Scrutiny Committee (OSC) to report on any issues raised by the OSC in relation to unrestricted business to be considered.	
4.2 Any Unrestricted Decisions "Called in" by the Overview & Scrutiny Committee	
(Under provisions of Article 6 Para 6.02 V of the Constitution).	

5. UNRESTRICTED REPORTS FOR CONSIDERATION

5 .1	Children's & Adults Services Capital Programme	15 - 36
	Report Summary: To seek approval to progress schemes in the capital programme.	
	Wards: All Wards	
	Lead Member: Deputy Mayor and Cabinet Member for Education and Children's Services	
	Corporate Priority: A Fair and Prosperous Community	
5 .2	Reset of the Commercial Contract with Agilisys for the Provision of ICT Services to the London Borough of Tower Hamlets	37 - 64
	Report Summary: Agreement to proposed changes to the contract the Council has with Agilisys to provide our ICT services.	
	Wards: All Wards	
	Lead Member: Cabinet Member for Resources	
	Corporate Priority: One Tower Hamlets	
5 .3	Review of Healthwatch Tower Hamlets and future commissioning intention	65 - 84
	Report Summary: Mayor in Cabinet to note outcome of review of Healthwatch Tower Hamlets and agree to future commissioning intention to enable a new service to be in place by April 2017.	
	Wards: All Wards	
	Lead Member: Cabinet Member for Health and Adult Services	
	Corporate Priority: A Healthy and Supportive Community; One Tower Hamlets	
5 .4	Corporate Directors' Decisions	85 - 90
	Report Summary: To note recent Corporate Director Decisions	
	Wards: All Wards	
	Lead Member: Cabinet Member for Resources	
	Corporate Priority: All	
5 .5	List of Individual Mayoral Decisions	91 - 122
	Report Summary: To note recent Individual Mayoral Decisions	
	Wards: All Wards	
	Lead Member: Mayor	
	Corporate Priority: All	

6. ANY OTHER UNRESTRICTED BUSINESS CONSIDERED TO BE URGENT

7. EXCLUSION OF THE PRESS AND PUBLIC

In view of the contents of the remaining items on the agenda, the Committee is recommended to adopt the following motion:

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

EXEMPT/CONFIDENTIAL SECTION (PINK)

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

Agenda Item 2

DECLARATIONS OF INTERESTS - NOTE FROM THE MONITORING OFFICER

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

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

Interests and Disclosable Pecuniary Interests (DPIs)

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

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

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

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

Effect of a Disclosable Pecuniary Interest on participation at meetings

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

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

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

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

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

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

Further advice

For further advice please contact:-

- Melanie Clay, Corporate Director, Law, Probity and Governance. 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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LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE CABINET

HELD AT 5.35 P.M. ON TUESDAY, 10 MAY 2016

**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 Management & Performance)
Councillor Shiria Khatun (Deputy Mayor and Cabinet Member for Community Safety)
Councillor Rachael Saunders (Deputy Mayor and Cabinet Member for Education & Children's Services)
Councillor Rachel Blake (Cabinet Member for Strategic Development)
Councillor Asma Begum (Cabinet Member for Culture)
Councillor David Edgar (Cabinet Member for Resources)
Councillor Ayas Miah (Cabinet Member for Environment)
Councillor Joshua Peck (Cabinet Member for Work & Economic Growth)
Councillor Amy Whitelock Gibbs (Cabinet Member for Health & Adult Services)

Other Councillors Present:

Councillor Peter Golds (Leader of the Conservative Group)
Councillor John Pierce
Councillor Andrew Wood

Officers Present:

Melanie Clay (Corporate Director, Law Probity and Governance)
Zena Cooke (Corporate Director, Resources)
Aman Dalvi (Corporate Director, Development & Renewal)
Debbie Jones (Corporate Director, Children's Services)
Roy Ormsby (Service Head, Public Realm, Communities Localities and Culture)
Denise Radley (Director of Adults' Services)
Will Tuckley (Chief Executive)
Kate Bingham (Service Head, Children's and Adults Resources)
Afazul Hoque (Senior Strategy Policy & Performance Officer, One Tower Hamlets, Chief Executive's)
Shalina Hussain (Communications Officer, Communications, Chief Executive's)
Martin Ling (Housing Policy Manager)
Chris Lovitt (Associate Director of Public Health)
Adele Maher (Strategic Planning Manager, Development and Renewal)

Jackie Odunoye	(Service Head, Strategy, Regeneration & Sustainability, Development and Renewal)
Rachael Sadegh	(DAAT Manager, Community Safety Service, Communities Localities & Culture)
Karen Sugars	(Interim Service Head, Commissioning and Health)
Matthew Mannion	(Committee Services Manager, Democratic Services, Law, Probity and Governance)

1. APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of Stephen Halsey (Corporate Director, Communities, Localities and Culture). Roy Ormsby (Service Head, Public Realm) was deputising.

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS

None were declared.

3. UNRESTRICTED MINUTES

RESOLVED

1. That the minutes of the Cabinet meeting held on 5 April 2016 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

Councillor John Pierce, Chair of the Overview and Scrutiny Committee (OSC), updated Members on the OSC meeting the previous evening. He reported on a number of issues that had been considered including:

- A report looking at lessons learnt in relation to the sale of Poplar Town Hall and how those lessons would be taken forward.
- Consideration of the OSC's annual report which highlighted a number of successes including the publication of the transparency protocol.
- A report agreeing to set up a Housing Scrutiny Sub-Committee to lead on scrutinising issues relating to this important area.

Councillor John Pierce thanked the Mayor for his engagement with the Committee, having attended five meetings throughout the year.

The **Mayor** thanked Councillor John Pierce for the work the OSC had undertaken throughout the year in particular highlighting the transparency review and the report relating to issues around the sale of Poplar Town Hall.

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

Nil items.

5. UNRESTRICTED REPORTS FOR CONSIDERATION

5.1 Planning Policy Explanatory Note on Tall Buildings

Councillor Rachel Blake, Cabinet Member for Strategic Development, introduced the report summarising the Council's policy on tall buildings. She explained that this was being presented as a reminder to the development industry of the Council's desire to ensure that tall buildings were only built in appropriate locations.

Councillor Andrew Wood, Ward Councillor for Canary Wharf, welcomed the statement as a useful summary but highlighted that the Local Plan policy carried more weight and he urged the Council to bring forward the relevant part of that Plan for consultation at the earliest possible opportunity.

The **Mayor** welcomed the report as he stated that it sent out a clear message that the Council wanted to restrict tall buildings to appropriate locations. He also highlighted that the policies of the new Mayor of London would be important in guiding appropriate levels of development. He agreed that the Local Plan was an important document in relation to this issue and asked officers to ensure the relevant consultation processes could begin as soon as possible. The **Mayor agreed** the recommendation as set out in the report.

RESOLVED

1. To note the Planning Policy Explanatory Note on Tall Buildings.

5.2 Substance Misuse Commissioning (1)

Note – this item was considered at the same time as Agenda Item 5.3 (Substance Misuse Commissioning (2)) and the combined minute is presented here.

The **Mayor agreed** that the Appendix should be considered as an exempt document due to the financial information it contained. However, discussion of the issue would continue in public session unless any Member wished to specifically raise an exempt matter.

Councillor Shiria Khatun, Cabinet Member for Community Safety, introduced the reports. She highlighted the competitive tendering processes that had been undertaken and the resulting proposed contract awards. The second report proposed the decommissioning of certain services where other alternatives were available. She took Members through the services that would be available and the way the new model of provision was developing.

In considering the report the **Mayor** noted that where facilities were being closed there were other treatment options available. In respect of the tendering process he noted the excellent work existing suppliers had performed and that if there were changes of supplier TUPE processes would be available for staff. He **agreed** the recommendations in both reports.

RESOLVED

1. To approve contract awards as recommended by the tender panel and set out in Appendix 3 for:
 - a. Tower Hamlets drug / alcohol outreach and referral service
 - b. Tower Hamlets drug / alcohol treatment service
 - c. Tower Hamlets drug / alcohol recovery support service

5.3 Substance Misuse Commissioning (2)

Note – this item was taken alongside Agenda Item 5.2 (Substance Misuse Commissioning (1)) and the combined minute is presented under that item.

RESOLVED

1. To agree the proposal to decommission the Harbour Recovery Centre.
2. To agree the recommendation that the Council pursue a restricted competition process with the potential provider routes being those set out in paragraph 3.2.6
3. To agree the recommendation for a direct award to ELFT for the Health E1 Homeless Substance Misuse service.
4. To agree the recommendation to pursue a section 75 agreement with Tower Hamlets Clinical Commissioning Group (CCG) for the commissioning of the Specialist Midwifery Service and the Hospital Alcohol and Drugs Service.

5.4 Housing Policy and Affordability Commission

Councillor Rachel Blake, Cabinet Member for Strategic Development, introduced the report. She thanked everyone who had been involved in the affordability commission with particular reference to the expert panel and to all those individuals and groups who had submitted evidence.

She then took Members through the report highlighting a number of sections including those on affordable housing, salaries against rent levels and shared ownership models. She noted that some of the recommendations would be taken forward in the Housing Strategy which was under development.

During discussion of the report the **Mayor** agreed that monitoring housing need was important. He also noted the limitations caused by central government policies. He **agreed** the recommendation as set out in the report.

RESOLVED

1. To agree the recommendations of the Affordability Commission as set out in Appendix 1 to this report taking account of the constraints within the Housing Revenue Account and pending Housing legislation, in particular the Housing and Planning Bill.

5.5 Hostels Commissioning Plan

Councillor Amy Whitelock Gibbs, introduced the report. She highlighted that hostel provision was a vital part of providing services for vulnerable people. The report reviewed current services and provided proposals for reshaping provision. The report recommended that officers commence discussions with stakeholders and service users to inform the preparation of the hostels commissioning plan. She took Members through the report including highlighting specific changes proposed around reducing the number of beds provided for certain groups based on service use.

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

RESOLVED

1. To approve that officers commence discussion and engagement with service users, providers, stakeholders and landlords as to the future model of the hostel sector to inform the commissioning plan for 2016-2019 including:
 - Reducing the level of service provision for women and those in need of abstinent hostel provision, in line with local needs. Currently it is estimated that the reduction in units for women could be from 118 units to 81, whilst for abstinent beds, the reduction could be from 51 units to 35.
 - Focus on providing a range of hostel services for those with high and complex needs.
 - Reducing the overall size of the hostel sector by approximately 120 beds. This is in recognition that:
 - a new hostel move-on service has been developed from Feb 2016, which it is anticipated will provide an additional 60 move on opportunities per annum
 - there are estimated to be at least 35 people who are living in hostels who no longer require support, who can be sensitively moved on (with support if required)
 - there is lower demand from women and those needing abstinent provision as outlined above

- the Council needs to achieve savings across the portfolio of commissioned services in adult social care
2. To authorise officers in Adult Services Commissioning to liaise with colleagues in legal and procurement to:
 - Consider the potential to exclude services for a defined period, if significant capital is being invested to enable effective management of the programme of works and ensure continuity of both staff and provision throughout the period and minimise any adverse effects on provision and clients going forward.
 - Explore such arrangements with hostel landlords to invest in the sector and make improvements to the living environment.
 3. To receive a further Cabinet report detailing the proposed hostel contracts to be competitively tendered and details of any exemptions from this.

5.6 Children Looked After Strategy 2015-18

Councillor Rachael Saunders, Deputy Mayor and Cabinet Member for Education and Children's Services, introduced the report. She explained that providing for looked after children was hugely significant to Cabinet Members and so it was important that this report was presented at Cabinet to highlight what the Council was looking to do to support these children. She especially highlighted the work of the Corporate Parenting Steering Group (CPSG) in overseeing this area.

A particular feature of the CPSG was the active role of the young people themselves and this helped to shape understanding of their needs.

The Children Looked After Strategy set out what the Council intended to do over the next few years and the Lead Member thanked everyone who had worked to help prepare the document.

The **Mayor** welcomed the report and noted in particular the desire to improve educational outcomes. He **agreed** the recommendations as set out in the report.

RESOLVED

1. To note that the overall strategic responsibility for Corporate Parenting lies with the Lead Cabinet Member for Children Services and the Corporate Director for Children Services. The needs of children and young people in and leaving care are also represented on each Children and Families Plan theme group by a Service Manager and/or Service Head, Children's Social Care.

2. To confirm that Tower Hamlets Council believes that an effective corporate parent needs a comprehensive strategy and joint working arrangements with clearly defined roles and responsibilities.
3. To note the contents of the Children Looked After Strategy, and in particular the desired direction of travel and associated cost pressures within Children's Social Care.
4. To note the action strategy included within the Strategy.

5.7 The Tower Hamlets Education Partnership (THEP)

Note – this item was taken alongside Agenda Item 5.8 (Maintaining Educational Excellence in Tower Hamlets) and the combined minute is presented here.

Councillor Rachael Saunders, Deputy Mayor and Cabinet Member for Education and Children's Services, introduced the reports. She explained that report 5.8 set out the overarching legislative context and in particular it therefore highlighted the need to lobby the government over future schools funding, whilst report 5.7 detailed proposals to set up a partnership organisation led by schools and how the Council could support this development. It was noted that funding was being requested to support the setting up of the partnership and that the Commissioners would need to be involved in grants decision making.

A key reason behind the partnership plan was the desire to ensure that Tower Hamlets schools continued to work together and with the Council for the benefit of all students even if they ended up being part of separate academy chains.

The **Mayor** welcomed the report and stated it was important to ensure the community felt a strong sense of ownership and to that end he agreed with comments made by Councillor Joshua Peck, Cabinet Member for Work and Economic Development, which noted the concerns raised about the need to ensure the partnership Board reflected the community it would serve. The need to ensure the Council had a strong relationship with the partnership was also noted. The **Mayor agreed** the recommendations as set out in both the reports.

RESOLVED

1. To welcome the establishment of the Tower Hamlets Education (THE) Partnership and the potential of its role in establishing a school-led system of improvement which adds value to the whole Tower Hamlets' education system;
2. To ask the Corporate Director for Children's Services in consultation with the Director of Law, Probity and Governance to consider which of the Council's current school improvement services might be delivered

from THE Partnership in 2017 and identify appropriate mechanisms accordingly;

3. To endorse the role of the Council in education, as set out in paragraphs 3.24 - 3.38, of this report and to ask officers to explore how the Council's partnership and scrutiny function might develop in support of this role;
4. To ask THE Partnership to report on progress towards these outcomes in a comprehensive annual review of the quality of education in schools in Tower Hamlets, with the first report to be produced in November 2016;
5. To agree that the Council establishes an earmarked reserve from general fund balances of up to £300,000 per annum to THE Partnership for a period of three years to enable it to become self-sustaining and to maintain a tight focus on improvement, as evidenced by progress in the outcomes described in paragraph 3.32 of the report; and
6. To agree that THE Partnership is able to receive services in kind from the Council in support of its progress towards sustainability.

5.8 Maintaining Educational Excellence in Tower Hamlets

Note – this item was taken alongside Agenda Item 5.7 (The Tower Hamlets Education Partnership (THEP)) and the combined minute is presented there.

RESOLVED

1. To note the contents of this report and to agree to receive further reports as developments in relation to the White Paper, *Educational Excellence Everywhere*, and the National Funding Formula occur.

5.9 2016-19 Children and Families Plan

Councillor Rachael Saunders, Deputy Mayor and Cabinet Member for Education and Children's Services, introduced the report. She reported that it was no longer required by statute to have a Children and Families Plan but that the Council found it a very useful document and so it was proposed to continue to develop the Plan.

The Plan was the collective vision of the Council and key partners including local agencies, the police, the voluntary sector and others. This had produced a comprehensive plan which challenged everyone to think of new ways of providing services to ensure that Children's voices were at the centre of building that provision.

The **Mayor agreed** the recommendation as set out.

RESOLVED

1. To approve the Children and Families Plan 2016-19 and its implementation.

5.10 Public Health Grant 2016-17 and 2017-18 - savings proposals

Councillor Amy Whitelock Gibbs, Cabinet Member for Health and Adult Services, introduced the report on public health grant savings proposals. She explained that the announcement of the public health grant cuts had been made out of synch with the normal budget processes and so decisions were now required on the necessary savings. Analysis showed that London councils were being hit particularly hard.

A number of key considerations included the need to protect mandatory services and the desire to preserve as much early years provision as possible. However, the cuts were going to be difficult and so a full consultation was important to help determine final proposals.

A typographical error was noted on page 428 of the agenda pack that the 2017/18 budget reduction for Fit 4 Life Groups should read 31% not 631%.

The **Mayor agreed** the recommendation as set out in the report.

RESOLVED

1. To agree for the proposal to go out consultation from the 11th May 2016 until 8th June 2016.

5.11 Corporate Directors' Decisions

The **Mayor agreed** the recommendation as set out.

RESOLVED

1. To note the Corporate Directors' decisions set out in Appendix 1 to the report.

5.12 List of Individual Executive Mayoral Decisions

The **Mayor agreed** the recommendation as set out.

RESOLVED

1. To note the Individual Mayoral Decisions set out in Appendix 1 to the report.

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 6.59 p.m.

MAYOR JOHN BIGGS

Cabinet 14 June 2016	 TOWER HAMLETS
Report of: Debbie Jones Corporate Director, Children's Services Denise Radley, Director, Adult's Services	Classification: Unrestricted
Children's and Adults Services Capital Programme	

Lead Member	Councillor Rachael Saunders, Cabinet Member for Children's Services; Councillor Amy Whitelock Gibbs, Cabinet Member for Health & Adults Services
Wards affected	All
Community Plan Theme	A Fair and Prosperous Community
Key Decision?	Yes

1. INTRODUCTION/SUMMARY

This report advises on the Children's and Adults Services Capital Programme with proposed schemes for 2016/17 and seeks various approvals as set out in the report.

2. RECOMMENDATIONS

The Mayor in Cabinet is recommended to:

- a) Note the contents of this report and the expected out-turn for the 2015/16 Children's and Adults Services Capital Programme as detailed in Appendix A and proposed allocation of the funding available in 2016/17 as set out in Appendix B (paragraph 3.1);
- b) Approve the adoption of capital estimates for the 2016/17 capital condition and improvement programme schemes in schools and service premises as shown in Appendix C and authorise expenditure (paragraph 3.4);
- c) Approve the adoption of the capital estimate of £220,000 for improvement works to Cherry Trees School (paragraph 3.7);
- d) Approve the adoption of the capital estimate of £4.2m for works to the St Jude's Road site to provide additional accommodation for Stephen Hawking School (paragraph 3.13);

- e) Approve the additional cost of £60,000 incurred on the works at Malmesbury Primary school due unforeseen structural works as part of the Primary Capital Programme in Appendix D (paragraph 3.19);
- f) Note the School Expansion Programme as detailed in Appendix E (paragraph 3.22);
- g) Approve the adoption of the revised capital estimate of £12.65m for the expansion of Olga Primary School (paragraph 3.23);
- h) Approve the adoption of the revised capital estimate of £10.2m for the development of the Bromley Hall site as a 2FE primary school (paragraph 3.27);
- i) Note progress with the development of further expansion projects and approve the adoption of a capital estimate of £300,000 to cover the costs of developing proposals to be considered for inclusion in the capital programme and authorise expenditure (paragraph 3.31);
- j) Approve the adoption of the capital estimate of £250,000 for the costs of providing additional short term accommodation if required for additional pupils until major works have been carried out to provide permanent additional school places and authorise expenditure (paragraph 3.32) ;
- k) Note progress with creating early education provision and further consultation with providers as shown in Appendix D (paragraph 3.35);
- l) Approve the proposed redevelopment of 12 Norman Grove and disposal of the site to fund a new children's residential home, subject to further detailed approval and the consent of the Commissioners paragraph 3.37);
- m) Approve the adoption of the capital estimate for expenditure of s. 106 contributions on improvements to health infrastructure at Suttons Wharf of £2,533,383 (paragraph 3.45);
- n) Approve the adoption of the capital estimate for expenditure of s. 106 contributions on improvements to health infrastructure at Goodmans Fields of £3,408,750 (paragraph 3.48);
- o) Approve the adoption of the capital estimate for expenditure of s. 106 contributions on improvements to health infrastructure at Aberfeldy Practice of £3,182,400 ((paragraph 3.51);
- p) Approve the adoption of the total capital estimate of 962,727 for creative healthy projects as part of the Council's Green Grid Initiative (paragraph 3.54);

- q) That Council approved Frameworks be used, where appropriate, to deliver the various projects within the approved programmes;
- r) That the Corporate Director of Children's Services, in respect of all proposed tenders referred to in this report, is authorised to agree tenders for projects within the approved programmes and capital estimate;
- s) That any scheme exceeding the approved budget, the Corporate Director of Children's Services is authorised to prepare and carry out a Bill of Reductions where relevant to ensure expenditure is contained within the agreed costs.

3.0 BACKGROUND

3.1 In the Report to Cabinet on the 5th January 2016, Members approved changes to the capital programme for 2015/16 to 2017/18 for Children's Services, including the 2016/17 capital condition and improvement programme. This report is dealing with the current and proposed future programmes for Children's and Adult's Services.

3.2 The carry forward for 2015/16 for the Children's and Adult's Services is anticipated to £45.869m (see **Appendix A**). The total amount available for 2016/17 to 2018/19 is £93.707m (**Appendix B**).

3.3 Capital Condition and Improvement Projects

3.4 The projects at schools and other premises for condition and improvement works that were approved by Cabinet in January 2016 are listed in Appendix C. Further priority works have since been identified and these have also been added to the list for approval.

3.5 Projects are included on the basis that they are necessary to rectify serious building or supply faults to ensure safe and continued operation of premises by users, to meet statutory requirements eg. accessibility, fire protection, etc. or service improvements.

3.6 Cherry Trees School – New Entrance and Internal Alterations

3.7 Cherry Trees School is a small special primary school for boys who have a statement of special educational needs for behavioural, emotional and social difficulties, or an education, health and care plan for social, emotional or mental health needs. In addition, the school also runs an outreach service, supporting local schools with pupils with behavioural issues.

3.8 The school occupies a site in Campbell Road, E3, with three buildings and limited external play area. The main building was previously sheltered flats and was converted a number of years ago for use by the

school. A further extension has been added and last year a third separate building was constructed.

- 3.9 Limited changes have been made to the main building since it became a school. The original main entrance to the building is not welcoming and there is limited space for both the reception office and visitors. Visitors, including parents, also have to walk through a main corridor when visiting staff, which is not always appropriate. There is also no suitable space for staff to work with parents, which is seen as important in supporting pupils.
- 3.10 A proposal has been developed to redesign the ground floor of the building to provide a new welcoming main entrance, administrative office and family room. Planning permission will be sought with the aim to complete the new accommodation for the autumn term 2016.
- 3.11 It is recommended that a capital estimate of £220,000 for the works be approved. The school will fund the fitting out and any furniture required
- 3.12 **Stephen Hawking Special School – Additional Accommodation**
- 3.13 The Council has a statutory duty to provide sufficient school places for children of school age. Where the child has SEN, a place at a special school may be appropriate to meet their specific needs.
- 3.14 Stephen Hawking Special School is located in Brunton Place, London E14 and is a one form entry school for primary aged children with profound and multiple learning difficulties. Based on the guidance from the DfE (Building Bulletin 102 – Range B/D), the capacity of the school is approximately 56 pupils. However, owing to the increasing demand for such places the number on roll is nearer 90.
- 3.15 There are no practical options for expanding the existing site, but there is the opportunity to consider using the site in Bethnal Green previously occupied by the Beatrice Tate Secondary Special School. This could be adapted to provide the early years unit, which would then release space at the existing school. The school, over the two sites, would then meet the guidelines for a 2 FE Special school.
- 3.16 It is recommended that a capital estimate of £4.2m for the works be approved.
- 3.17 Where appropriate Council approved Frameworks will be used to deliver the various projects within the approved programmes.

3.18 Primary Capital Programme (PCP)

3.19 The PCP has been completed. The remaining project is Malmesbury Primary where the final account is still to be agreed (Appendix D). During the course of the works there was a delay due to unforeseen structural works. Although the cost of the additional works could be covered from the contingency the contractor has claimed for loss of time.

3.20 Evidence of their claim has now been received and will increase the final cost by an estimated £60,000. It is recommended that the cost be approved so that the Final Account can be agreed.

3.21 School Expansion Projects (Appendix E)

3.22 In January 2016, Cabinet approved funding for a number of projects within the Primary School Expansion programme for 2015/16 to 2017/18 amounting to £45.811m. The works at Cayley, Stebon and Woolmore schools have now been completed.

3.23 The approved capital estimate for the expansion of Olga Primary School is £11.8m. This was based on the original estimate for the construction works, temporary accommodation and loose furniture and equipment.

3.24 Following a procurement process undertaken by Tower Hamlets Schools Ltd, as the school is included in the Grouped Schools PFI contract, the lowest tender received was above the estimated cost. This was mainly due to increased costs within the construction market and also the complex phasing involved to enable the school to remain open during the construction.

3.25 A value engineering exercise was carried out to review the costs and the tendered price was reduced to £11.77m. This was also subject to a financial review to confirm that the cost was value for money.

3.26 Together with the costs for the temporary accommodation, loose furniture and equipment and a contingency, the revised capital estimate is £12.65m.

3.27 A capital estimate of £9.0m was approved by Cabinet in May 2015 to develop the use of the Bromley Hall School site as a 2 forms of entry primary school with 2 nursery classes. The estimate was based on an initial feasibility undertaken in 2014.

3.28 The scheme has been developed in partnership with Bouygues UK using the Strategic Partnering Agreement entered into by the Council and Bouygues. This was seen as the best route to achieve the initial Reception pupil places being available from September 2017. The availability of places in September 2017 remains subject to planning

consent and programme considerations and the opening may be implemented from September 2018.

3.29 The design has now been agreed and the costs have been reviewed to ensure value for money. The revised construction cost is now £9.4m. Together with the cost of the loose furniture, preparation of the site to allow access for the contractor and associated costs, the revised capital estimate is now £10.2m.

3.30 **Project Development and Provision for Temporary Accommodation**

3.31 There is a need to continue with the development of a number of proposals to provide additional capacity. Feasibility studies will continue to be undertaken to develop the programme. It is proposed to recommend to Cabinet that a sum of £300,000 is included in the programme to fund the feasibility studies and scheme development. Schemes will then be brought back to Cabinet for approval to implement.

3.32 In the short term it may be necessary to identify suitable school sites to locate the additional pupils in temporary accommodation until major works have been completed to provide the places needed in the longer term. It is recommended that a sum of £250,000 is included in the programme as a financial provision.

3.33 With both the above allocations, where funds are not required they will be included in the main programme for re-allocation.

3.34 **Early Education Provision**

3.35 The projects that have already been approved as part of the provision are listed in Appendix E. Consultation is taking place with providers to develop further provision and formal approval will be requested in due course.

3.36 **Children's Residential Accommodation**

3.37 Until March 2015, the Council operated two residential children's homes at 89 Bishops Way and 12 Norman Grove each providing 6 bed spaces. The service has now determined that 6 bed spaces only are required and 89 Bishops Way has closed. 12 Norman Grove is recognised as not fit for purpose for a modern children's home and the building is too large for current needs. The Council receives no form of capital grant for this provision and so the option of redeveloping part of the site for housing to fund a new children's home has been investigated and found to be feasible. The review has shown that there is sufficient potential value from the disposal of part of the site for residential development to fund the costs of building a new residential home.

- 3.38 It is proposed that the Council will appoint a design team to develop a scheme for the site to include a new children's home and housing. Once a scheme is developed, the site will be recommended for disposal on the basis that the purchaser provides the children's home for which the Council will take a long lease. The proceeds of sale will fund the costs of providing a new children's home. It is recommended that the disposal of the site is agreed in principle, subject to a further detailed report. The disposal of 12 Norman Grove will subject to a further report to Cabinet and the Commissioners' consent.
- 3.39 Subject to the report to Cabinet in June, planning approval and subsequent consent to the detailed scheme, it is proposed that the earliest work could start to redevelop the children's home is spring 2017. 89 Bishops Way is being retained to provide decant space during the works.
- 3.40 **Public Health Expenditure (Appendix F)**
- 3.41 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 with the intention of making acceptable development which would otherwise be unacceptable in planning terms. One of the specific terms that money has been secured is for healthcare infrastructure. These contributions can only be used for the specified purpose and the relevant schemes to spend the funds on primary care infrastructure can only be undertaken by the NHS. In order to deliver these schemes the Council is obliged to pass the funds to the NHS.
- 3.42 Four projects have been approved by the officers' Planning Contributions Overview Panel which propose improvements in Tower Hamlets healthcare infrastructure to mitigate the impact of current and future increases in population and comply with the terms of the s. 106 agreements under which the money was secured. The projects will increase capacity, access and service provision in primary care and will maintain continuity of local GP services. In each case the contributions from a number of s. 106 agreements are pooled to provide the necessary funding.
- 3.43 Before the funds can be transferred to the NHS in Tower Hamlets for delivery of these projects there is a requirement that they be adopted as capital estimates even though delivery of these projects will not result in the Council owning or controlling any assets.
- 3.44 Details of the projects are as follows:
- 3.45 Suttons Wharf. The shell and core of the development at Suttons Wharf is approaching completion and s106 funding is sought to undertake the fit out of the premises to enable a re-provision for the Globe Town

Practice. Suttons Wharf will provide purpose built accommodation to house core and enhanced GP primary care services within a GIA of ~929m².

- 3.46 NHS Tower Hamlets CCG advise the current Practice premises are not fit for purpose on a functional and capacity level. The internal configuration of the practice makes delivery of primary care very difficult and the size of the current premises makes comprehensive primary care delivery impossible and provides no capacity for the anticipated population growth in the area.
- 3.47 The estimated cost of the Suttons Wharf fit out is £2,533,383. Cabinet is recommended to adopt a capital estimate of £2,533,383 for this project to be funded from the identified s. 106 contributions. A payment schedule for the funds will be agreed. Any unspent funds will be retained in the s106 health account.
- 3.48 Goodmans Field. The shell and core of the development at Goodmans Field is underway and discussions between the NHS and the developers over a lease terms have commenced. S106 funding is sought to undertake the fit out of the premises to enable a re-provision for the Whitechapel Health and City Wellbeing Practices. Goodmans Field will provide purpose built accommodation to house core and enhanced GP primary care services within a GIA of ~1250m².
- 3.49 NHS Tower Hamlets CCG advise the current Practice premises are not fit for purpose on a functional and capacity level. The size of the current premises makes comprehensive primary care delivery difficult and provides no capacity for the anticipated population growth in the area.
- 3.50 The estimated cost of the Goodmans Field fit out is £3,408,750. Cabinet is recommended to adopt a capital estimate of £3,408,750 for this project to be funded from the identified s. 106 contributions. A payment schedule for the funds will be agreed. Any unspent funds will be retained in the s106 health account.
- 3.51 Aberfeldy Practice. The Aberfeldy estate re-development is underway which include a shell and core primary healthcare facility and discussions between the NHS and the developers over a lease terms have commenced. S106 funding is sought to undertake the fit out of the premises to enable a re-provision for the Aberfeldy Practice. This will provide purpose built accommodation to house core and enhanced GP primary care services within a GIA of ~1167m².
- 3.52 NHS Tower Hamlets CCG advise the current Practice premises are not fit for purpose on a functional and capacity level. The size of the current premises makes comprehensive primary care delivery difficult and provides no capacity for the anticipated population growth in the area.

- 3.53 The estimated cost of the new Aberfeldy Practice fit out is £3,182,400. Cabinet is recommended to adopt a capital estimate of £3,182,400 for this project to be funded from the identified s. 106 contributions. A payment schedule for the funds will be agreed. Any unspent funds will be retained in the s106 health account.
- 3.54 The Council's Public Health Team sees an association between the creation of green spaces and healthy living. By improving the physical environment, it aims to create conditions for encouraging physical exercise and improving mental well-being. Cabinet is recommended to adopt a capital estimate of £962,726. for four projects to be funded from the identified s. 106 contributions earmarked for "curative health" into preventive health as part of the Council's **Green Grid Initiative**. This has the support of the NHS Tower Hamlets Capital and Estates for this approach.
- 3.55 The 4 proposed projects are;
- 3.56 Andrew Street. The project aims to reduce the tarmac and paving at the (dead) end of little used Andrew Street and replace it with porous surface and trees, in effect extending the boundary of Jolly's Green. The site is on the Green Grid and provides linkages to Jolly's Green from across the A12.
- 3.57 Buxton Street East. Tree planting to form an avenue with existing and new trees and works to make a park entrance from the bollards which prevent vehicular traffic. The site provides an opportunity to improve the entrance to the Allen Gardens and develop an improved walking and cycling route.
- 3.58 Buxton Street West. Works to The works include landscaping of the footpaths, street furniture, paving and signage. Incorporate bespoke site benches / bollards and a knee rail where necessary to prevent vehicles entering the park. Include a low level paving/ artwork feature to complement the stone entrance feature in SW corner of Allen Gardens. New meadow and perennial planting. The site is on the Green grid and located on the western side of the borough which is particularly deficient in public open space.
- 3.59 Bow School. Works clearing of site, landscaping and creating access from Gillender Street to create a pocket park near Bow School. The site is an integral part of the Leaway and the objective is to create the park along the northern edge of Limehouse Cut connecting the A12 with Twelvetrees Crescent.

4.0 COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 The Children's and Adults Services capital budget for 2016/17 to 2018/19 of £93.707m was agreed at Cabinet on 5th January 2016. The budget reflected the projected 2015/16 carry forward position of circa

£45.869m and the expected government grants known at that point in time. This report now provides an update on the budget to reflect the projected 2015/16 carry forward, known government grants for 2016/17 to 2018/19 and any further changes either affecting the profile of spend or the priorities.

- 4.2 The effect of the changes discussed in 4.1 in relation to 2016/17 is an overall increase in funding of £4.523m, taking the total programme to £93.707m from the MTFP position of £89.184m reported to cabinet in May 2015. The spending plans currently developed for 2016/17 are to the value of £22.777m and reports seeking the requisite approval for individual schemes will come to Cabinet as required.

5.0 LEGAL COMMENTS

- 5.1 Pursuant to the Council's Constitution, full Council is responsible for the adoption of its budget and policy framework and which includes the allocation of financial resources to different services and projects, proposed contingency funds, (including the recommended Council tax base), setting the council tax and decisions relating to the control of the Council's borrowing requirement, the control of its capital expenditure and the setting of virement limits.

- 5.2 The Mayor as the Executive has responsibility for preparing the draft plan or strategy for submission to the full Council and once a budget or a policy framework document has been agreed, it is the responsibility of the Mayor, the Executive and officers to implement it.

- 5.3 Subject to rules relating to virements, the Mayor, Executive, Committees of the Executive and any officers or joint arrangements can only take decisions which are in line with the budget and policy framework. If any of these bodies or persons wishes to make a decision which is contrary to the policy framework, or contrary to or not wholly in accordance with the budget approved by the Council, then that decision may only be taken by the Council.

- 5.4 Provided therefore that the decisions to be taken are in line with the budget and policy framework agreed by full Council then the proposed recommendations are ones that The Mayor as the Executive can agree.

6.0 ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 The implementation of the Children's Services capital programme is part of the LA's strategy to improve achievement by improving the teaching and learning environment.
- 6.2 Strategies to raise educational attainment, including improving quality of school buildings, support students moving into employment.

- 6.3 The expansion of schools under the capital programme is necessary to ensure the Council meets its legal obligation to secure sufficient schools for Tower Hamlets, but will also promote equality of opportunity for children and young people (including within the meaning of the Equality Act 2010). Equality considerations will be further taken into account in the planning, procurement and delivery of individual projects.
- 6.4 The payment of the s. 106 contributions for health projects aims to support provision of appropriate health infrastructure to ensure services can be accessed locally by the community.

7.0 BEST VALUE (BV) IMPLICATIONS

- 7.1 Implementation of capital schemes will be subject to competitive procurement. Proposals will be subject to consultation as they are developed and before implementation.

8.0 SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 The proposed capital works aim to improve and preserve the quality of the building stock. Sustainability considerations are applied as far as possible to design and materials used. Major projects included are expected to obtain a minimum rating of Very Good in the BREEAM Assessment.

9.0 RISK MANAGEMENT IMPLICATIONS

- 9.1 The individual projects will be closely monitored to ensure that programmes are completed on time and within the budget provision.

10.0 CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1 There are no specific implications arising.

11.0 EFFICIENCY STATEMENT

- 11.1 The capital works identified in the report will seek to improve energy efficiency and reduce ongoing maintenance.

APPENDICES

Appendix A – Anticipated Capital Out- Turn 2015/16

Appendix B - Proposed Allocation of Funds 2016/17 to 2018/19

Appendix C - 2016/17 Condition and Improvement Programmes

Appendix D - Primary Capital Programme and Early Education Provision

Appendix E- Adults Services Capital Programme and Public Health

Appendix F - School Expansion Programme

Appendix G – Reconciliation tables

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Appendix A

Out-turn 2015/16

	Resources	Commitments	Carry Fwd
Grants			
Capital Maintenance	15.574	0.853	14.721
Basic Need/New Pupil Places	23.566	3.204	20.362
Short Breaks	0.001	0.001	0.000
*Swanlea Crossrail Contribution	0.014	0.000	0.014
Universal Infant Free School Meals	0.275	0.000	0.275
Early Education Provision (2 Year Olds)	1.038	0.047	0.991
Adult Personal Social Services Capital Grant	1.837	0.013	1.824
	42.305	4.118	38.187
Developers Contribution (S106)			
*Bishop Challenor	0.850	0.000	0.850
Stepney Green 6th Form	4.174	0.472	3.702
	5.024	0.472	4.552
Local Priorities Programme (LPP)			
*Bishop Challoner Community Facilities	0.600	0.000	0.600
	0.600	0.000	0.600
RCCO			
Overland Children Centre - Extension	0.183	0.145	0.038
Revenue Funding for 2yr Olds	2.560	0.106	2.454
*Unapplied Children's Services Grant within the Early Intervention Reserve	0.038	0.000	0.038
	2.781	0.251	2.530
Total:	50.710	4.841	45.869
*Other commitments included in Appendix B	1.502		

Appendix B

Proposed Allocation of Funds 2015/16 to 2017/18

Programme	Capital Budgets (£m)								Capital Funding (£m)						
	2016/17	Q1	Q2	Q3	Q4	2017/18	2018/19	Total	G	SB	RCCO	SC	S106	LPP	Total
Condition & Improvement (Appx C)	4.565	0.210	0.405	1.120	2.830	2.650	0.000	7.215	6.783			0.227	0.205		7.215
School Expansion (Appx F)	25.558	4.200	5.000	7.990	8.368	17.704	0.000	43.262	39.005			0.555	3.702		43.262
Primary Capital Programme (Appx D)	0.090	0.000	0.000	0.090	0.000	0.000	0.000	0.090	0.090						0.090
Early Education Provision (Appx D)	1.708	0.357	0.405	0.411	0.535	1.647	0.000	3.355	0.863		2.492				3.355
Adult's Services Programme (Appx E)	0.601	0.000	0.100	0.300	0.201	0.000	0.000	0.601	0.601						0.601
Public Health (Appx E)	15.135	0.500	1.209	2.583	10.843	0.750	0.000	15.885	0.000				15.885		15.885
Other Commitments (*Appx A)	0.063	0.063				0.575	0.000	0.638			0.038			0.600	0.638
Uncommitted Balance	0.000					6.358	16.303	22.661	21.811				0.850		22.661
Total Allocations	47.720	5.350	7.119	12.494	22.777	29.684	16.303	93.707	69.153	0.000	2.530	0.782	20.642	0.600	93.707
Funded By:															
Carry Forward (see Appendix A:)	45.869					0.000	0.000	45.869	38.187		2.530		4.552	0.600	45.869
2016/8 DfE Basic Need	10.404					14.162	0.000	24.566	24.566						24.566
2016/8 DfE Capital Maintenance	3.200					3.200	0.000	6.400	6.400						6.400
Early Education Capital	0.000					0.000	0.000	0.000							0.000
School Contributions	0.677					0.095	0.010	0.782				0.782			0.782
Developers' Contribution	15.240					0.850	0.000	16.090					16.090		16.090
	75.064					18.307	0.010	93.707	69.153		2.530	0.782	20.642	0.600	93.707
Funding by Year															
Grant (G)	26.797	5.100	6.869	11.994	2.854	26.063	16.293	69.153							
Supported Borrowing (SB)	0.000					0.000	0.000	0.000							
Developers Contribution (S106)	18.729				18.729	1.913	0.000	20.642							
Local Priorities Programme (LPP)	0.025				0.025	0.575	0.000	0.600							
School Contribution (SC)	0.677				0.677	0.095	0.010	0.782							
RCCO	1.492	0.250	0.250	0.500	0.492	1.038	0.000	2.530							
Total Funding	47.720	5.287	7.119	12.494	22.777	29.684	16.303	93.707	69.153	0.000	2.530	0.782	20.642	0.600	93.707

G Grant; SB Supported Borrowing; RCCO Revenue Contribution to Capital; SC School Contributions; S106 Developers' Contributions; LPP Local Programme Priorities

Condition & Improvement Projects

Premises	Works	Total	2016/17 £m	Q1	Q2	Q3	Q4	2017/18 £m
Condition & Improvements								
Brought Forward								
		0.735	0.335	0.060	0.055	0.100	0.120	0.400
2016/17								
Arnhem Wharf Primary	Heating upgrade	0.050	0.050	0.000	0.000	0.020	0.030	0.000
Bangabandhu Primary	Re-roofing Phase 1	0.150	0.150	0.000	0.000	0.050	0.100	0.000
The Cherry Trees School	New entrance and family support facility	0.220	0.220	0.000	0.050	0.100	0.070	0.000
Elizabeth Selby Infants	Replace hot and cold water systems	0.140	0.140	0.000	0.000	0.080	0.060	0.000
Hague Primary	Upgrade hot and cold water system Ph. 2	0.120	0.120	0.000	0.000	0.040	0.080	0.000
Halley Primary	Upgrade cold water system	0.090	0.090	0.000	0.000	0.050	0.040	0.000
Hermitage Primary	Re-roofing Phase 1	0.150	0.150	0.000	0.000	0.050	0.100	0.000
John Scurr Primary	Upgrade doors - fire regulations	0.060	0.060	0.000	0.000	0.040	0.020	0.000
Lawdale Junior	Re-roofing	0.075	0.075	0.000	0.000	0.025	0.050	0.000
Marner Primary	Re-roofing	0.200	0.200	0.000	0.000	0.070	0.130	0.000
Marner Primary	Window replacement	0.080	0.080	0.000	0.000	0.030	0.050	0.000
Marner Primary	Sports pitch	0.205	0.205	0.000	0.000	0.000	0.205	0.000
Mayflower Primary	Replace Dormer roof covering	0.060	0.060	0.000	0.000	0.015	0.045	0.000
Old Palace Primary	Re-roofing Phase 2	0.100	0.100	0.000	0.000	0.050	0.050	0.000
Old Palace Primary	Concrete repairs	0.100	0.100	0.000	0.000	0.050	0.050	0.000
PFI Schools	Asbestos removal	0.280	0.280	0.000	0.000	0.000	0.280	0.000
The Stephen Hawking School	Building alterations	4.200	1.950	0.150	0.300	0.300	1.200	2.250
Programme Development	Fees to develop 2017/18 programme	0.200	0.200	0.000	0.000	0.050	0.150	0.000
Total 2016/17		7.215	4.565	0.210	0.405	1.120	2.830	2.650

Appendix D

Premises	Works	Allocation £m	Previous Spend £m	2016/17 £m	Q1	Q2	Q3	Q4	2017/18 £m	Total
Primary Capital Programme										
Malmesbury Primary	Remodel and planned maintenance	1.331	1.301	0.090	0.000	0.000	0.090	0.000	0.000	1.391
Primary Capital Programme Total:		1.331	1.301	0.090	0.000	0.000	0.090	0.000	0.000	1.391
Early Education Provision										
Bethnal Green Rangers	Provide new nursery facility	0.285	0.001	0.284	0.100	0.100	0.084	0.000	0.000	0.285
Overland Children Centre	Extension	0.183	0.145	0.038	0.000	0.000	0.000	0.038	0.000	0.183
Grant to Nursery @ St Paul's Church (Winterton P2)	Provision for 2 year olds	0.155	0.127	0.028	0.000	0.000	0.000	0.028	0.000	0.155
Grant to Lincoln Hall Fern Street	Provision for 2 year olds	0.170	0.000	0.170	0.000	0.020	0.050	0.100	0.000	0.170
Whitehorse One'Oclock Club	Provision for 2 year olds	0.470	0.010	0.460	0.075	0.100	0.100	0.185	0.000	0.470
Chicksand Playgroup	Provision for 2 year olds	0.115	0.035	0.080	0.040	0.040	0.000	0.000	0.000	0.115
Limehouse Site Global Kids	Provision for 2 year olds	0.015	0.012	0.003	0.003	0.000	0.000	0.000	0.000	0.015

Weavers Field Pre-School	Provision for 2 year olds	0.151	0.000	0.151	0.026	0.025	0.050	0.050	0.000	0.151							
Birkbeck Street Harmony Acc 3	Provision for 2 year olds	0.062	0.061	0.001	0.000	0.000	0.000	0.001	0.000	0.062							
Calvary Pre-School	Provision for 2 year olds	0.102	0.034	0.068	0.018	0.020	0.015	0.015	0.000	0.102							
Mile End Road OSCA	Provision for 2 year olds	0.039	0.000	0.039	0.000	0.010	0.014	0.015	0.000	0.039							
Bethnal Green Gardens	Provision for 2 year olds	0.135	0.001	0.134	0.050	0.050	0.025	0.009	0.000	0.135							
Limehouse Project Cheadle Hall	Provision for 2 year olds	0.148	0.000	0.148	0.025	0.025	0.048	0.050	0.000	0.148							
City Gateway Mastmaker	Provision for 2 year olds	0.019	0.000	0.019	0.000	0.000	0.000	0.019	0.000	0.019							
St Matthias Community Play Centre	Provision for 2 year olds	0.065	0.000	0.065	0.000	0.015	0.025	0.025	0.000	0.065							
Date Palm	Provision for 2 year olds	0.020	0.000	0.020	0.020	0.000	0.000	0.000	0.000	0.020							
	Projects to be developed	1.647	0.000	0.000	0.000	0.000	0.000	0.000	1.647	1.647							
Early Education Provision Total:									3.781	0.426	1.708	0.357	0.405	0.411	0.535	1.647	3.781

Appendix E

Premises	Works	Allocation £m	2016/2017 £m	Q1	Q2	Q3	Q4	2017/2018 £m	2017/2018 £m	Total £m
Adult Services										
	Project to be developed	0.601	0.601	0.000	0.100	0.300	0.201	0.000		0.601
Adult Services Programme Total:		0.601	0.601	0.000	0.100	0.300	0.201	0.000		0.601
Public Health										
William Cotton Place	Fit out.	3.193	3.193	0.300	0.600	1.000	1.293	0.000		3.193
Health Infrastructure	Improvements to various sites	2.603	1.853	0.200	0.500	0.550	0.603	0.750		2.603
Suttons Wharf	Improvements to health infrastructure	2.534	2.534	0.000	0.000	0.000	2.534	0.000		2.534
Goodmans Fields	Improvements to health infrastructure	3.409	3.409	0.000	0.100	0.070	3.409	0.000		3.409
Aberfeldy Practice	Improvements to health infrastructure	3.183	3.183	0.000	0.009	0.000	3.183	0.000		3.183
Andrew Street	Reduce tarmac and paving	0.240	0.240	0.000	0.000	0.240	0.000	0.000		0.240
Buxton Street East	Tree planting and park entrance	0.240	0.240	0.000	0.000	0.240	0.000	0.000		0.240
Buxton Street West	Landscaping	0.200	0.200	0.000	0.000	0.200	0.000	0.000		0.200
Bow School	Landscaping and create access	0.283	0.283	0.000	0.000	0.283	0.000	0.000		0.283
Public Health Total:		15.885	15.135	0.500	1.209	2.583	10.843	0.750	0.000	15.885

School Expansion Programme

Premises	Initial Allocation £m	Previous Spend £m	2016/ 2017 £m	Q1	Q2	Q3	Q4	2017/2018 £m	2018/19 £m	Revised Allocation £m
Arnhem Wharf	4.900	4.900	0.000	0.000	0.000	0.000	0.000	0.000		4.900
Bethnal Green Centre Refurbishment	2.555	2.555	0.000	0.000	0.000	0.000	0.000	0.000		2.555
Bow	11.000	0.500	5.500	0.500	0.900	2.000	2.100	5.000		11.000
Bromley Hall	9.000	0.610	5.390	0.200	0.400	1.790	3.000	4.200		10.200
Cayley	5.800	5.574	0.000	0.000	0.000	0.000	0.000	0.000		5.574
Phoenix - Satellite classrooms	0.290	0.290	0.000	0.000	0.000	0.000	0.000	0.000		0.290
Olga	11.800	3.523	4.300	1.100	1.200	1.400	0.600	4.827		12.650
Secondary School (London Dock)	1.000	0.200	0.800	0.200	0.200	0.400	0.000	0.000		1.000
St Paul's Way Trust	13.407	4.914	4.816	1.200	1.200	1.200	1.216	3.677		13.407
Stebon	5.500	5.200	0.000	0.000	0.000	0.000	0.000	0.000		5.200
Stepney 6th Form	5.000	0.798	4.202	1.000	1.000	1.000	1.202	0.000		5.000
Woolmore	10.820	10.820	0.000	0.000	0.000	0.000	0.000	0.000		10.820
Sub Total:	81.072	39.884	25.008	4.200	4.900	7.790	8.118	17.704	0.000	82.596
Provision of Bulge Classes	0.250	0.000	0.250	0.000	0.000	0.100	0.150			0.250
Scheme Development	0.300	0.000	0.300	0.000	0.100	0.100	0.100			0.300
Sub Total:	0.550	0.000	0.550	0.000	0.100	0.200	0.250	0.000	0.000	0.550
School Expansion Total:	81.622	39.884	25.558	4.200	5.000	7.990	8.368	17.704	0.000	83.146

APPENDIX G

Table 1: Explanation of Movement in Children’s and Adult’s Services expected Out-turn Balance for 2015/16 since 5th January 2016 Cabinet Report

Programme	Component		£m
Overall	Children’s and Adult’s Services expenditure Out-turn 2015/16 capital budget as per Cabinet 5 th January 2016		16.558
Less Capital Maintenance	Revised Out-turn balance	1.352	
Less Basic Need	Revised Out-turn balance	8.814	
Less Early Education Provision (2 Year Olds)	Revised Out-turn balance	1.401	
Less PCP Programme	Revised Out-turn balance	0.210	
Less Bishop Challoner – Communities Facilities	Revised Out-turn balance	0.025	
Less Adult PSS Capital Grant	Revised Out-turn balance	0.388	
Add s. 106	Stepney Green 6 th Form project	0.472	
Add Short Breaks	Revised Out-turn balance	0.001	
	Less balance of components		11.717
Children’s and Adult’s Services capital anticipated expenditure Out-turn for 2015/16 per this report (Appendix A)			4.841

Table 2: Explanation of Movement in Children’s and Adult’s Services Budget for 2016/17 to 2018/19 since 5th January 2016 Cabinet Report

Programme	Component		£m
Overall	Children’s and Adult’s Services capital budget as per Cabinet 5 th January 2016		62.029
Basic Need	Revised balance brought forward	-7.433	
Capital Maintenance	Revised balance brought forward	4.315	
Primary Capital Programme	Revised balance brought forward	-0.120	
Early Education Provision (2 Year Olds)	Revised balance brought forward	-0.424	

Adult PSS Capital Grant	Revised Out-turn balance	0.200	
Public Health	Developer Contribution	15.885	
Unapplied CS Grant	Revised balance brought forward	0.038	
Additional Projects	Uncommitted grant	19.217	
	Add: balance of components		31.678
Children's and Adult's Services capital budget 2016/17-2018/19 as per this report (Appendix B)			93.707

Table 3: Explanation of Movement in grant funding of Children's and Adult's Capital budget - 2016/17 to 2018/19 since 5th January 2016 2015 Cabinet Report

Funding		£m	
Children's Services capital funding as per Cabinet 5 th January 2016		45.471	
Add Carry Forward of resources based on 2015/16 out-turn		11.717	
	Add: Balance of grant funding	25.034	
	Add: Balance of Devolved Contribution	11.144	
	Add: Balance of School Contributions	0.340	
	Add: Short Breaks funding	0.001	
	Balance of New Funding		36.519
Children's and Adult's Services capital budget 2016/17-2018/19 as per this report (Appendix B)			93.707

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<p>Cabinet Decision</p> <p>14 June 2016</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Zena Cooke, Corporate Director, Resources</p>	<p>Classification: Unrestricted</p>
<p>Strategic ICT Partnership – Agilisys Contract Review</p>	

Lead Member	Councillor Edgar
Originating Officer(s)	Sean Green – Service Head ICT, Customer Access and Transformation
Wards affected	All Wards
Key Decision?	Yes
Community Plan Theme	Not Applicable

Executive Summary

The Council has an outsourced contract for ICT services in the form of a Strategic Partnership Agreement with Agilisys that was awarded in May 2012. The contract runs until 2019 and allows for one opportunity before that date to execute a voluntary termination by the Council. The Council commissioned an independent review of the contract to assess the existing contractual and operational arrangements as there were a number of concerns regarding the contract and the Council's ICT performance.

The review was undertaken over a four month period and the review provided four options. Given the need to significantly invest in and improve the council's ICT infrastructure, the planned relocation from Mulberry Place and the cost implications of voluntary termination, it was agreed that the option to improve the contractual arrangements through negotiation rather than voluntary termination should be pursued. The review also highlighted the need to strengthen the partnership with Agilisys and to put in place robust governance and performance management arrangements if the decision was taken to revise the contract.

This report sets out the outcome of the contract negotiations and the proposed material changes to the contract and to the governance and operational arrangements that will improve the performance of the contract and ensure the provision of high quality ICT services to the Council.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Approve the changes to the contract with Agilisys.
2. Delegate to the Director of Resources, after consultation with the Head of Legal Services, any final changes to the Deed of Variation that sets out all the agreed contractual changes under Part 3 – Responsibility of Functions Part A Corporate Delegations paragraph 10.4 Scheme of Management.
3. Note the improved governance and performance management arrangements that are being incorporated in the contract to strengthen the strategic partnership and operational arrangements between Agilisys and the Council.
4. To note the work being undertaken to establish the Council's ICT investment requirements and implementation plan that will support and form part of the Council's wider transformation plan.
5. Authorise the Service Head, Legal Services, following consultation with the Director of Resources to execute all necessary contract documents in respect of the contractual changes referred to at recommendations 1 and 2 above.

1. REASONS FOR THE DECISIONS

- 1.1** The Council's current ICT contract with Agilisys is not considered to be performing effectively and the contract only allows one opportunity to review and revise the contract under voluntary termination. Of the four options available to the council, the option to review and revise the current contract with Agilisys was considered to be the best option for the Council and would enable improvements to be made, within the existing core contract cost.

2. ALTERNATIVE OPTIONS

- 2.1** The review of the Strategic Partnership with Agilisys set out four potential options:

1. Do nothing: Continue with current arrangements
2. Do minimum: Tactical / point fixes to address priority issues only
3. Fix: Fundamentally review and re-set arrangements
4. Exit: Exit current arrangement with Agilisys (and move to appropriate alternative)

- 2.2** The "fix" option was considered to be in the best interests of the Council at this time given the current performance of the contract, the risks in changing ICT arrangements and the costs associated with voluntary termination. The Council's plans for ICT transformation and the significant investment requirement as well as the ICT work required to move successfully to the new Civic Centre in 2020/21 were key considerations.

3. DETAILS OF REPORT

Introduction

- 3.1** This report sets out the details of the contract negotiations and the proposed material changes to the current ICT contract with Agilisys to ensure the provision of high quality ICT services, to enable the delivery of the Council's Transformation plans and the planned move to the new Civic Centre in 2020/21.

Background

- 3.2** The Council has an outsourced contract for ICT services in the form of a Strategic Partnership Agreement with Agilisys that was awarded in May 2012. The contract runs until 2019 and allows for one opportunity before that date to execute a voluntary termination by the Council.
- 3.3** In order to establish whether to exercise the option for voluntary termination, the Council commissioned an independent mid-term review of the contract to assess the existing contractual and operational arrangements as there were a

number of concerns regarding the contract and the Council's ICT performance.

- 3.4** In order to enable the Council to undertake the mid-term review, Agilisys agreed to extend the period during which the Council could exercise the option of voluntary termination and confirmed they would fully participate in the review. The date by which voluntary termination could be exercised by the Council was extended from March 2016 to July 2016.
- 3.5** The Review considered seven areas – objectives, performance, governance, perceived pain points, operating model and technology architecture, value for money and Spirit of Partnership.
- 3.6** A 3-phase approach was used which analysed the current state, set out options and presented the final report and recommendations.
- 3.7** Over a 5-week period, 90 stakeholders were interviewed, including staff at all levels, Members and Agilisys staff. Contractual, service and other relevant documentation was reviewed and the findings were analysed against commercial, service, technology and relationship frameworks.
- 3.8** The current state analysis identified that, whilst the perception of the end to end IT service was generally poor, particularly for projects, Agilisys were in general meeting all contractual Key Performance Indicators (KPIs) and the service management arrangements appeared sound. However, the review identified some fundamental weaknesses in communications, governance and the underpinning commercial arrangements that resulted in expectations being unclear and/or misaligned with delivery and that the desired behaviours for both the Council and Agilisys were not clear, monitored or incentivised.
- 3.9** The outcome of the review was presented to the Council's Corporate Management Team in January 2016. The review provided four options for consideration:
 1. Do nothing: Continue with current arrangements
 2. Do minimum: Tactical / point fixes to address priority issues only
 3. Fix: Fundamentally review and re-set arrangements
 4. Exit: Exit current arrangement with Agilisys (and move to appropriate alternative)
- 3.10** These options were assessed against the following criteria on the basis they would need to be achieved within 18 months:
 1. Enables clarity of joint partnership objectives and links to achievement of LBTH Corporate priorities - Enables strategic, political and cultural fit
 2. Enables effective delivery of day to day operations and performance measurement
 3. Enables effective technology change and Digital transformation through improved project delivery
 4. Provides an effective method to demonstrate on-going value for money

5. Enables reduction in cost of IT service provision
 6. Enables Innovation in IT service provision and technology
 7. Delivers effective governance and informed decision making
 8. Optimises the Operating model (Client Team, Directorate IT / IT Partner roles and responsibilities)
 9. Promotes desired behaviours from both Council and IT Partner
 10. Minimises cost/risk/duration of transition to future state
- 3.11** Given the need to significantly invest in and improve the council's ICT infrastructure, the planned move to the new Civic Centre and the cost implications of voluntary termination, it was agreed that the option to improve the contractual arrangements through negotiation rather than voluntary termination should be pursued. This option was considered to be the most likely to meet the criteria set out above within 18 months.
- 3.12** The review had also highlighted the need to strengthen the partnership with Agilisys and to put in place robust governance and performance management arrangements if the decision was taken to revise the contract.
- 3.13** A Council project team was established to undertake the contract negotiations, including the ICT client team, finance and legal, with a view to producing an agreed deed of variation to the existing contract before the 1st July 2016 deadline to exercise voluntary termination.
- 3.14** The contract negotiations with Agilisys have focussed on the key areas that needed to be revised to ensure the Strategic Partnership delivers the expected improvements and benefits for the remainder of the contract period. The negotiations have primarily covered and addressed commercial, governance and operational arrangements.

The key areas covered by the contract negotiations are set out below:

Exclusivity

- 3.15** The current contract gives Agilisys rights to exclusivity, which means they have a right for a first quote on all the Council's back office services (for outsourcing purposes) and any services or solutions related to IT.
- 3.16** This right has been negotiated out of the revised contract, with Agilisys now having preferred partner status for the provision of core ICT services, but the Council can procure ICT outside of the contract if it chooses. The Council has committed to £1million per annum new project spend for the remainder of the contract period. This represents approximately 50% of the current annual project spend with Agilisys. A 5% fee on equipment purchases has also been agreed up to a maximum of £50k per annum with the potential for this to be returned at the end of the contract. The Council will produce an annual stakeholder and relationship plan with Agilisys to maximise partnership opportunities to support the Council's strategic and enabling objectives.

- 3.17** The proposed changes will give the Council flexibility and choice whilst Agilisys continue to be the Council's preferred ICT partner.

Third Party Expenditure (Schedule 25)

- 3.18** The existing contract details third party contracts that were passed to Agilisys in 2012. These details had to be warranted as the details were not comprehensive at the point of transfer. This has resulted in the need to reconcile excess payments to and from Agilisys, which has required significant resource to undertake and has led to protracted disputes.
- 3.19** It is proposed to complete a one-off reconciliation to "rebase" the third party contract details as at the date of the revised contract. This will include scope and volume information for all the key and high value contracts. A joint procurement savings plan will be produced and pro-actively managed through strengthened governance arrangements.
- 3.20** The proposed changes will deliver simpler, well defined working arrangements that will be more efficient, minimise cost excesses and disputes going forward, with improved joint planning, forecasting and escalation processes.

Performance Management

- 3.21** Whilst the mid-term review identified that Agilisys were in general meeting all contractual KPIs and the service management arrangements appeared sound, the existing KPIs used to measure contract performance and the success of the partnership are considered to be limited and not a reflection of what is important to the council
- 3.22** It is proposed to introduce a new broader and deeper set of performance measures (82 KPIs/PIs) that will cover areas including, Customer satisfaction, Value for Money, Innovation, People, Agility, Continuous Service Improvement, Relationship, Corporate Responsibility and Operations. These performance measures will be reviewed annually to ensure they remain relevant to the Council's ICT priorities.
- 3.23** The proposed changes will enable improved monitoring and reporting, enabling early corrective action and robust contract and performance management, which will be part of the formal partnership governance arrangements.

Business As Usual Activity

- 3.24** The existing arrangements for differentiating business as usual and project activity have been an area of concern with a perceived lack of transparency. It is proposed to introduce an annual plan to ensure all main application upgrades are set out and those that are business as usual are confirmed in advance and regular reports provided. The existing guidelines for business as

usual activity will continue, but more complex work or work requiring external resources will be progressed as projects. Detailed reports for projects or changes that do not fall within business as usual activity will be produced.

- 3.25** The proposed changes will provide strengthened governance, more effective resource allocation, greater transparency, performance measurement and reporting.

Governance and Relationship Management

- 3.26** The existing governance and relationship management arrangements are not as effective as required, with a lack of sufficient contractual obligations for the Council and Agilisys to deliver the strategic objectives of the Partnership.

- 3.27** It is proposed to incorporate a number of improvements to the existing arrangements, including a partnership agreement, a joint operations plan, an annual relationship survey and relationship development plan. Formal governance arrangements at the strategic, operational and tactical level to promote and deliver jointly continuous improvement and innovation, with clearly stated values and ways of working.

- 3.28** The governance structure of the new relationship model will be as follows:

1. **Executive Strategic Board:** An annual review of the previous year, an assessment of the relationship and the setting of the strategic direction for the forthcoming year.
2. **Strategic Partnership Board:** Quarterly reviews of progress to date, current performance, joint operations plan, key issues, innovation and any escalations
3. **ICT Strategy and Commissioning Board:** Monthly review of the ICT strategy and new requests for ICT projects and resources
4. Monthly performance reviews to review progress against the contractual performance measures.

- 3.29** The proposed changes establish a more sophisticated and robust relationship model, to enable collaborative working, more efficient and effective working practices, with systematic review and continuous improvement embedded in the strengthened governance arrangements.

Project Arrangements

- 3.30** The existing arrangements for commissioning, managing and delivering projects were considered to be overly bureaucratic, inefficient, with slow delivery and poor transparency on progress, resource allocation and cost.

- 3.31** It is proposed to introduce a more agile streamlined process, with more detailed, transparent information provided to monitor and track progress.

- 3.32** The proposed changes introduce a new process that has been designed and agreed between the Council and Agilisys and is already being used with new

templates and significantly improved information on the allocation of resources, tracking and progress. The new governance arrangements include an ICT Strategy and Commissioning Board that will ensure the corporate prioritisation of projects against an annual ICT project and programme plan.

Relocation of Service Desk and Provision of 24/7 service desk

- 3.33** The current service desk arrangement is provided locally in the borough and is only available between 8am and 6pm Monday to Friday.
- 3.34** It is proposed that the service desk availability be increased to 24/7 to reflect the Council's flexible working arrangements and future transformation plans that will include greater use of and access to digital services. The proposed changes will mean that the service desk will be relocated to the Agilisys team based in Rochdale and is expected to affect up to 6 Agilisys staff.
- 3.35** If agreed, the proposed change will be implemented within 3 months of the contract change, with Agilisys meeting the costs of transition and any redundancy costs if they arise.

Other Proposed Contract Changes

Innovation approach

- 3.36** It is proposed that the Council and Agilisys appoint senior managers to be their ICT innovation champions. These officers will have joint responsibility to develop an innovation pipeline and plan to be presented to the Strategic Partnership Board quarterly. This will enable the Council to maximise the opportunities arising from ICT innovation.

Historic Volume Adjustments

- 3.37** It is proposed to remove the volume adjustment calculation from the contract. This covered payments due to Agilisys if the Council exceeded the number of staff employed in the Council at the start of the contract in 2012 and a service charge rebate to the Council from Agilisys should the Council have less staff than those employed at the start of the contract. This will be a benefit in terms of the Council's wider transformation plans and increased use of digital services, given the number of Council staff currently without access to ICT.

Applications Availability Calculation

- 3.38** It is proposed that the availability of Applications will be measured separately for the purposes of KPI performance and potential penalties to Agilisys. This will ensure the Council is able to effectively monitor the performance of individual applications that are key to service provision.

Outstanding Financial Claims

- 3.39** A number of historic financial claims made by both the Council and Agilisys that were in dispute have been reviewed and resolved as part of the contract negotiation. These include the Historic rate card, Applications penalties, Roman Road data centre charges, volume adjustments and third party expenditure. These claims have been resolved within the existing contract without incurring additional unbudgeted costs for the Council. As part of the review, the current contract payment arrangements have been reprofiled over the remainder of the contract, which will improve the cashflow position for Agilisys. The re-profiling does not impact on the contract cost or the budget allocated to meet the cost of the contract for the remaining term.

Apprenticeship Programme

- 3.40** The current contract requires Agilisys to recruit apprentices over the life of the contract. Agilisys also have a wider apprenticeship programme. As part of the contract negotiations, Agilisys have agreed to work more closely with the Council's Economic Development team in relation to the apprenticeship programme, which will make the process for placing apprentices more aligned and help to maximise the employment opportunities for local residents.

ICT Operating Model, Strategy and Transformation Investment

- 3.41** It is acknowledged that the changes negotiated to the Agilisys contract will not in themselves ensure high quality ICT service provision that is fit for purpose and delivers transformation.
- 3.42** Changes to the Council's ICT operation model and a comprehensive medium term ICT strategy are critical to the delivery of high quality ICT and the Council's transformation agenda.
- 3.43** The Council has engaged SOCITM (Society of ICT Managers) to review the Council's requirements in terms of both the operating model and the ICT strategy. The review of the ICT operating model covers Business Engagement, Governance, Contract Management, Application Support and Value for Money.
- 3.44** The ICT Strategy review covers a number of key themes: ICT reliability and performance; Digital and Mobile Working; Information Management; Partnership Working
- 3.45** The recommendations arising from the SOCITM review will be considered and agreed by the end of June 2016. A business case for the ICT Transformation programme will be produced based on the agreed recommendations. The ICT investment required to deliver the Council's ICT Strategy is currently estimated to be in the region of £8 and £12 million over the next 3 years. The final business case will set out the resource requirements and will be considered as part of the Council's Medium Term Financial Strategy.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1** The additional costs of the contract review by ATOS and SOCITM together with the additional external costs involved in re-negotiating the contract terms are estimated at £165k and have been met from existing ICT resources.
- 4.2** The contract has been re-negotiated on the basis of no change to the existing management fee for the core services (c£9.5m per annum). The costs in relation to projects have been in the region of an additional £2m per annum. It is proposed that the revised governance arrangements will include an assessment of value for money.
- 4.3** The Council has agreed to guarantee £1m per annum of additional project work with Agilisys or alternatively compensate Agilisys for profit forgone on that level of work. Based on the actual spend per annum of £2m to date, this is considered to be a prudent estimate based on the level of previous work placed through this contract. Having negotiated the removal of the exclusivity clause it is to be expected that, where value for money can be demonstrated, other suppliers may be used and the value of work placed with Agilisys would fall as a consequence. There is therefore a risk that the Council may have to meet the cost of this guarantee to Agilisys. If that were the case there would be no tangible benefit to the Council and no provision exists to meet this cost. The maximum value of the guarantee has been estimated at £160k being the loss of 16% profit on £1m.
- 4.4** However, as 20% of the management fee is 'at risk' from a revised 'broader' set of KPI's and there is significant emphasis placed on working within improved formal governance arrangements, it is to be expected that these processes will enable the partnership to deliver some of the transformational benefits originally envisaged.
- 4.5** In reviewing the proposals for changing the contract the Council should also consider the implications of early termination at July 2016 which is the remaining opportunity to terminate but carries compensatory costs estimated at between £3m -£5m.

5. LEGAL COMMENTS

- 5.1** The Council has a duty to achieve Best Value in respect of its expenditures. This is by virtue of Section 3 of the Local Government Act 1999. One of the ways in which the Council ensures Best Value is by ensuring that there is continuous improvement within the services it purchases. From the substance of the report it is clear that in order to continue to achieve Best Value then the services required remodelling to meet the Council's needs.
- 5.2** However, this service is of a type and value which would ordinarily come under the remit of the prevailing European Law. The applicable regulations and law are those that were in force at the time the contract opportunity was

advertised. Therefore, this contract is subject to the Public Contracts Regulations 2006.

- 5.3** The Regulations apply where the Council is seeking a new offer to purchase works goods or services. Therefore, if the remodelled contract represents a new offer then the Council should have subjected the new model to competition.
- 5.4** The 2006 regulations do not provide for the construction of a new offer and this was later clarified in the court case known as Presstext. Presstext set down the three main characteristics of a new offer where if one characteristic could be found in the contract variation then the variation constituted a new offer and should therefore, be subject to a new tender process. The 3 characteristics are whether the change:
- 5.4.1 it would have changed who bid for or won the contract under the original tender process or
- 5.4.2 extends the scope considerably to encompass services not initially covered; or
- 5.4.3 changes the economic balance of the contract in favour of the contractor in a manner not provided for in the original contract
- 5.5** As regards the subject matter of the variation it is a question of fact as to whether any of the proposed changes offend one of these three principles. However, the nature of the “changes” are substantially to clarify the position as to how the partnership works, potentially decreases the extent of the services sought and does not improve the contractor’s economic position overall. Therefore, it is unlikely that a challenge that the contract should have been resubmitted to competition would succeed.
- 5.6** In order to provide certainty around the position and following the execution of the variation agreement the Council should consider posting a Voluntary Ex-Ante Transparency notice in the European Journal which would specifically disallow ineffectiveness claims following expiry of the 30 day period following the placing of the notice.
- 5.7** It is unlikely that any of the changes will require consultation for the purposes of either S.3.2 of the local government Act 1999 or S.149 of the Equality Act 2010.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1** The revised contractual arrangements will indirectly support the delivery of the Council’s One Tower Hamlets objectives.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 The proposed changes to the contract with Agilisys are expected to provide better value for money for the Council. The negotiations were on the basis that there would be no additional costs for the Council, whilst delivering additional service benefits and improvements. New and significantly improved governance, new stakeholder management and engagement model, new project processes, new BAU processes, KPI dashboard and management will mean much better management of the Council's ICT resources.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 There are no direct SAGE implications arising from this report.

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 The main risks have been highlighted within the body of the report.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1 There are no direct Crime and Disorder Reduction implications arising from this report.

11. SAFEGUARDING IMPLICATIONS

- 11.1 There are no direct Safeguarding implications arising from this report

Linked Reports, Appendices and Background Documents

Linked Report

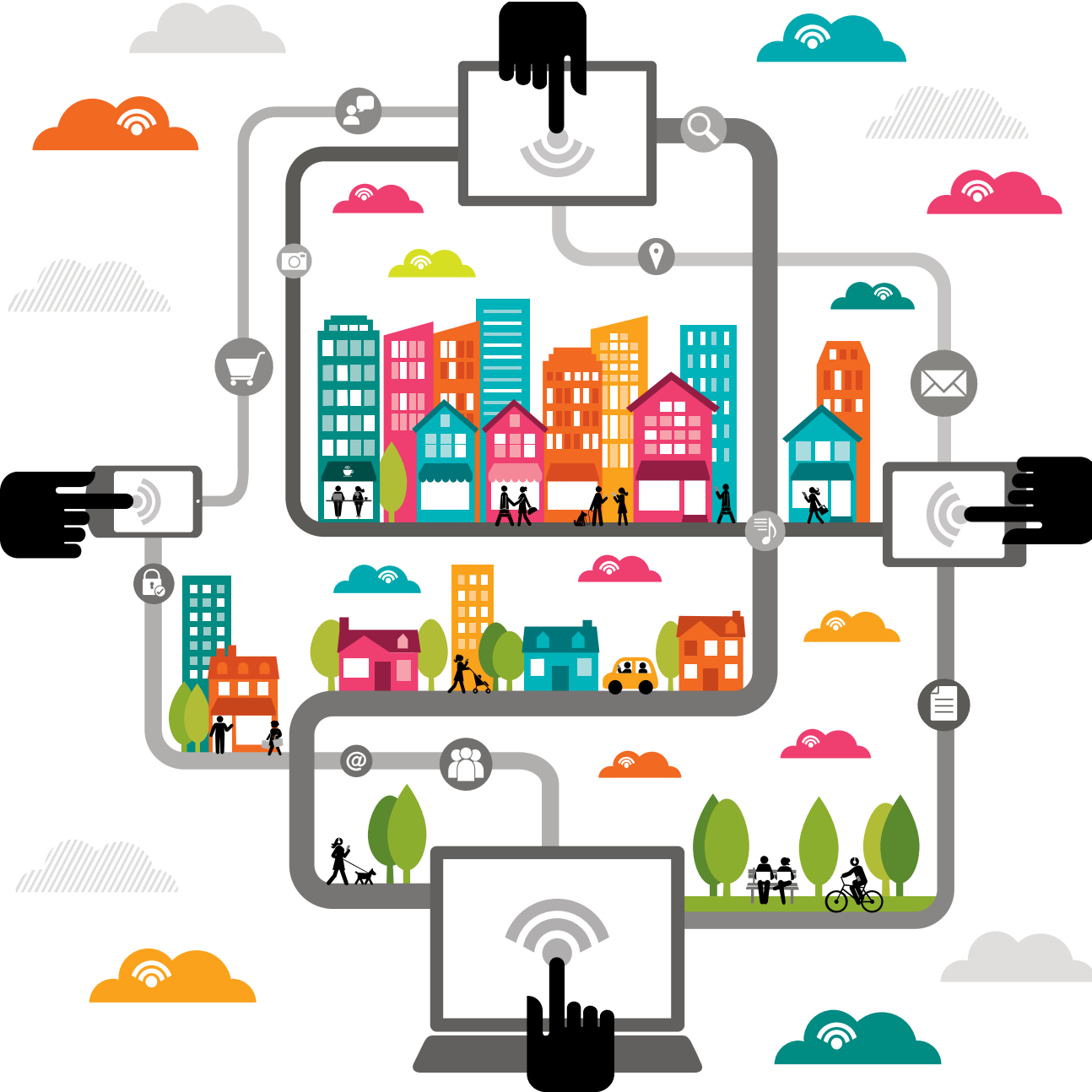
- NONE

Appendices

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

- Atos Strategic Partnership Mid-Term Review January 2016

Officer contact details for documents: Sean Green



London Borough of Tower Hamlets

Strategic Partnership Midterm Review

Final Report

10th February 2016



Atos
Consulting

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Executive Summary

In May 2012, the Council ("LBTH") appointed Agilisys as Strategic Partner to provide a range of ICT (and potentially additional) services to the Council over a 7-year period. Since the contract was set up much has changed in the Political, Economic, Sociological and Technical climate. LBTH was keen to understand if the original agreement serves the Council's current need as best it can.

Following a competitive tendering exercise, Atos Consulting was appointed in November 2015 to undertake a midterm review of these arrangements, to test if the objectives of the Partnership OSA and SPA agreements are being met and to determine the appropriate course of action for the remainder of the contract.

The Review was to consider 7 areas – objectives, performance, governance, perceived pain points, operating model and technology architecture, value for money and Spirit of Partnership.

A 3-phase approach was used:

1. Current state analysis
2. Options analysis
3. Final Reporting and Presentation of recommendations

Over a 5-week period, Atos interviewed 90 stakeholders from across the directorates, Councillors and Agilisys, reviewed contractual, service and other relevant documentation and analysed the findings against commercial, service, technology and relationship frameworks.

The current state analysis identified that, whilst the perception of the end to end IT service was generally poor, particularly for projects, Agilisys are in general meeting all contractual KPIs and the service management arrangements appear sound. However, there are some fundamental weaknesses in communications, governance and the underpinning commercial arrangements that mean that expectations are unclear and/or misaligned with delivery and the desired behaviours for both parties are not clear, monitored or incentivised.

A series of options was taken to the Corporate Management Team (CMT) on 20 Jan 2016. CMT selected the "fix" option (fundamentally review and re-set arrangements) to be further developed and set the following direction:

- ▶ Expectation that the Partnership can be made to work, with commitment and willingness to adapt and change from both the Council and Agilisys
- ▶ Demonstrable improvements from Feb 2016 onwards
- ▶ Put new arrangements in place by May 2016 with a view to moving to "fantastic IT service" within 18 months
- ▶ Recognition that technology is key to LBTH achieving its goals; there may therefore be a case for investment.

This option and direction was further developed into a set of recommendations and a delivery roadmap. These were presented to LBTH and Agilisys senior management on 1 Feb 2016 and accepted, upon which the Council and Agilisys commenced a programme comprising 5 key workstreams to define and negotiate new arrangements within the May¹ target timescale.

¹ It should be noted that this target was subsequently adjusted to June 2016

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1 Purpose of this document

This document is the final report from the Strategic Partnership Midterm Review, conducted by Atos Consulting from November 2016 to February 2016.

The document is structured as follows:

- ▶ Context:
 - Background, explaining the context of the Midterm Review
 - Objectives, explaining what the Midterm Review set out to achieve
 - Scope of the Midterm review, including exclusions
 - Desired outcomes
 - Approach taken.
- ▶ Baseline, summarising the findings of the baseline assessment
- ▶ Options, summarising the options analysis, the selected option and the rationale for this selection
- ▶ Recommendations, outlining the recommended way forward for the Council.

2 Context

2.1 Background

In 2010, the then new Information Management Strategy (IMS) identified that the Council's ICT Service was not 'fit-for-purpose' from a capability, systems and procedures perspective. It also recommended that the technology landscape and information sharing protocols were disparate and it acknowledged a need for investment to support the wider transformation requirements of the Council, such as supporting the Smarter Working Programme.

The LBTH Future Sourcing (FS) Project examined the option of establishing a Strategic Partnership to meet these needs and in addition the support needed to achieve significant organisational savings, which could be met through initiatives such as reducing existing third party contract costs and through the economies of scale that come from a single supplier. It was also very important that any Partner was able to promote and support the Mayor's priorities.

It was through an assessment of various models that the LBTH FS Project Team in discussion with key stakeholders developed the full scope and approach to establishing the Partnership. The formal procurement exercise started with an OJEU notice being published on 12 May 2011. Alongside this was a Memorandum of Information that set out the Mayor's vision for the Council and its residents, as well as his ambition and requirements from a potential Partner for the Council.

On the 4th April 2012, Cabinet agreed Agilisys as the Preferred Bidder on the basis of a number of contractual commitments. The contract is to provide the ICT service for 7 years to 31 March 2019'.

Since the contract was set up much has changed in the Political, Economic, Sociological and Technical climate and LBTH was keen to understand if the original agreement serves the Council's current need as best it can.

2.2 Objectives

As the Council approached the half-way point of the contract with Agilisys it decided to undertake a Midterm Review of the arrangements. Following a competitive tendering exercise, Atos Consulting was appointed to undertake this review.

The intention of the Midterm Review was to test if the objectives of the Partnership OSA and SPA agreements are being met and to determine the appropriate course of action for the remainder of the contract.

The objective of the Midterm Review was to assist the Council in their decision-making process on how to achieve the best outcomes from the Strategic Partnership and confirm that Value for Money has been delivered and will continue to do so in the future.

2.3 Scope

The review was to consider:

- ▶ **Objectives** - Whether the original objectives of the Partnership have been met and the identification of constraints in achieving further benefits for the Council
- ▶ **Performance** - against the agreed Key Performance Indicators (KPIs) and recommendations for changes in these performance measures:
 - **Operational Services Agreement (OSA)** - understand if the current service delivery is performing satisfactorily and delivering a predictable service in line with the contract. Make recommendations to address any deficiencies to align with the OSA deliverable and further improvements needed to improve customer satisfaction in this area.
 - **Strategic Partnering Agreement (SPA)** – identify if the current contractual arrangements best suit the Council’s current requirements with specific focus directed at New Projects Approval Process (NPAP); Business & Management Support Services (BMSS); Strategic Partnership Objectives (SPOs) and Business As Usual Service Support (BAUSS).
- ▶ **Governance** - A subjective review of the governance mechanisms to determine their effectiveness and potential improvements
- ▶ Perceived pain points for the Council and clarify whether these are contractually derived
- ▶ A review of the **Operating Model and Technology Architecture** to develop a set of recommendations for improvement
- ▶ A **value for money assessment** in line with the original LBTH Future Sourcing Project, in addition to any current LBTH VFM and performance criteria. This should result in a list of detailed contractual, process and investment recommendations to address any shortfall.
- ▶ **Spirit of Partnership** – understand how the contract is perceived. Anecdotal feedback is important to understand how informed the council staff, at all levels, are of what the contract should deliver as a contrast to what they would like the contract to deliver – are Agilisys a good supplier and are LBTH a good customer.

Scope Exclusions

The midterm review did not include any estimation or costing of implementation activities or construction of a business case to support the option(s) selected by the Council. The Technology Architecture review was to be high level only, as the Council was undertaking a parallel initiative to look at technology roadmaps.

2.4 Outcomes Expected

A successful outcome was viewed as a jointly-developed and clear understanding of those elements of the OSA and SPA that are meeting or exceeding expectations and where improvements can be made.

Where areas for improvement were identified, the review was to propose credible, pragmatic and achievable improvement plans to rapidly deliver enhanced value and return on any associated investment while also ensuring that the people, processes and tools employed in LBTH for these purposes are set up for successful execution of the plan.

2.5 Approach Taken²

To achieve the objectives of the Midterm Review a three-stage methodology was used:

- ▶ Stage 1: Current State Analysis
- ▶ Stage 2: Options Analysis
- ▶ Stage 3: Final Reporting and Presentation.

² Further detail is available in the project plan: Strategic Partnership Midterm Review, Project Plan, 19 Nov 2015

3 Baseline Findings³

The key findings of the current state assessment are described in the table below:

LBTH Objective	Observations
Meeting original objectives of the Partnership: <ul style="list-style-type: none"> ▶ Nurturing people ▶ Driving Change ▶ Reliable and efficient services 	<ul style="list-style-type: none"> ▶ 2 separate contracts – Operational Services Agreement (OSA) and Strategic Partnering Agreement (SPA) – not good practice ▶ The OSA does not clearly define LBTH ICT objectives ▶ Lack of visibility/consistency about the aims of the joint Strategic Partnership ▶ Objectives set out in the SPA are outdated
Performance against KPIs and recommendations for changes in these performance measures	<ul style="list-style-type: none"> ▶ Reported performance is generally good ▶ KPI performance does not always accurately reflect customer experience ▶ KPI measures are too narrow ▶ KPIs are not supporting the desired behaviour
A subjective review of the governance mechanisms to determine their effectiveness and potential improvements	<ul style="list-style-type: none"> ▶ Simple governance model with two formal boards only – best practice is three-level ▶ Gap in access to correct levels of authority in Council for a two year period ▶ Terms of Reference lack clear definition of purpose ▶ A number of impromptu governance bodies have been set up to address issues
Perceived pain points for the Council and clarify whether these are contractually derived	<ul style="list-style-type: none"> ▶ Poor project request & delivery ▶ Remote access/working problematic for users ▶ Perceived (Agilisys) high staff turnover / lack of consistency ▶ Sense of lack of proactivity ▶ Historic lack of client leadership ▶ Contention regarding Schedule 25 ▶ Contract restricts streamlined delivery
A review of the Operating Model and Technology Architecture to develop a set of recommendations for improvement	<ul style="list-style-type: none"> ▶ Delivery aspects follow good practice ▶ Fragmented application support across LBTH/Agilisys ▶ Lack of clear responsibilities throughout Operating Model ▶ Project commissioning overly complex ▶ Ageing estate with no agreed road map ▶ Inconsistencies in software maintenance & upgrades
A value for money assessment in line with the original LBTH Future Sourcing Project	<ul style="list-style-type: none"> ▶ Rate Card prices are lower quartile ▶ Core service is fixed price (guaranteed savings delivered) ▶ Lack of clarity of boundary between Projects and Service ▶ VfM is not apparent to Customer and causing friction in new projects
Spirit of Partnership	<ul style="list-style-type: none"> ▶ Mixed views amongst LBTH stakeholders ▶ Lack of trust in projects ▶ Does not deliver against current Council expectations

³ Further detail is available in the baseline report: Strategic Partnership Midterm Review, Baseline Report, December 2015

4 Options Assessment⁴

Atos facilitated a session with CMT on 20 Jan 2016. CMT was issued a data pack in advance describing the options and criteria. The following options were considered:

1. **Do nothing:** Continue with current arrangements
2. **Do minimum:** Tactical / point fixes to address priority issues
3. **Fix:** Fundamentally review and re-set arrangements
4. **Exit:** Exit current arrangements with Agilisys (and move to appropriate alternative)

The following set of criteria was used to assess the Options presented:

1. Enables clarity of joint partnership objectives and links to achievement of LBTH Corporate priorities - Enables **strategic, political and cultural fit**
2. Enables effective delivery of day to day operations and performance measurement
3. Enables effective technology change and Digital transformation through improved project delivery
4. Provides an effective method to demonstrate on-going value for money
5. Enables **reduction in cost** of IT service provision
6. **Enables Innovation** in IT service provision and technology
7. Delivers effective governance and informed decision making
8. **Optimises the Operating model** (Client Team, Directorate IT / IT Partner roles and responsibilities)
9. **Promotes desired behaviours** from both Council and IT Partner
10. Minimises **cost/risk/duration** of transition to future state

During the session, CMT prioritised success criteria and identified relative weightings. The options were then debated and scored.

CMT selected the "fix" option to be taken forward to the next level of detail. Objectives directed by CMT were:

- ▶ Expectation that the Partnership can be made to work, and of commitment and willingness to adapt and change from both sides
- ▶ CMT agree that this is not about reducing cost of IT service provision
- ▶ Put in place the new arrangements by May 2016
- ▶ Move to "fantastic IT service" within 18 months; demonstrable improvements from this point forward
- ▶ Given cost pressures on the Council, any increase in revenue spend would need substantial justification
- ▶ Recognition that digital technology is a fundamental enabler – technology is key to LBTH achieving its goals; there may therefore be a case for investment

⁴ Further detail is available in the options report: Strategic Partnership Midterm Review, Options Review – CMT Session, 20 Jan 2016

5 Recommendations⁵

Atos developed a set of recommendations to address the issues and gaps identified in the baseline review and support the CMT direction. The key recommendation was to rapidly mobilise an intensive 3-month programme to achieve the May⁶ target set by CMT. A set of principles was established to define the approach for this programme:

- ▶ The fix option should be managed as a cohesive programme, with a dedicated programme lead to give cohesion across work streams
- ▶ Governance through a steering group (chaired by Zena Cooke) and Supervisory Group (chaired by Sean Green).
- ▶ The right capabilities and behaviours need to be in place. Required capabilities identified include specialist expertise in:
 - assurance
 - legal and commercial advice
 - IT service
 - IT strategy and transformation
 - Facilitation and workshop management.
- ▶ Transition to new arrangements through execution of Contract Change in line with the May timescale
- ▶ Actively seek “quick wins” pre-May
- ▶ Moving to the new commercial arrangements should be done through a single CCN:
 - get to negotiation & CCN as quickly as possible
 - agreed level of granularity appropriate for May timescale
 - central negotiation team – intense 2-way collaborative and open dialogue to define and agree contract changes.
 - working groups to work up individual solutions in an agile manner
- ▶ The programme should integrate existing in-flight initiatives:
 - TOM (Socitim)
 - Tech roadmap
 - Digital strategy
 - Project process review.
- ▶ Programme scope should **not** include operational delivery of projects / technology change.

The delivery roadmap, shown on the following page, comprises 5 streams of work and 3 phases – design, preparation and negotiation.

⁵ Further detail is available in the recommendations report: Strategic Partnership Midterm Review, Recommendations Workshop, 1 Feb 2016

⁶ It should be noted that this target was subsequently adjusted to June 2016

Work Package		Dependencies	Description	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
1	Governance & Engagement										
1.1	Re-define SP objectives	-	This should be scoped in WG session then Zena / Sean to ratify.								
1.2	Define new governance / relationship model	2.4	Clear R&R - Council & Agilisys								
1.3	Implement new governance model	1.2									
1.4	Define comms strategy / Comms & engagement plan	1.1	Incremental agile delivery - 2 week sprints using Intranet site as primary medium.								
1.5	Ongoing comms	1.4									ongoing
1.6	Re-set relationship (CMT, Mayor etc.)	1.3	CMT, Mayor etc.								
1.7	"Cement the deal" - re-launch new SP	1.6,(2,3,4,5)									
2 People, Operating Model & Behaviours											
2.1	Operating model review	-	In-flight (SOCITIM). Proposal mid-April								
2.2	Implement operating model "quick wins"	2.1	Detail to be defined by 2.1								
2.3	Implement Future Operating Model	2.1	Detail to be defined by 2.1								ongoing
2.4	Define desired Council & Agilisys behaviours	1.1									
2.5	Define Council Policy/Process changes required	2.4									
2.6	Implement Council "quick wins" & monitoring	2.5									
2.7	Implement Policy changes etc.	2.5									ongoing

Work Package		Dependencies	Description	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
2.8	Ongoing behaviour monitoring	2.6, 2.7	Council & Agilisys								ongoing
2.9	Define commercial mechanisms to incentivise desired Agilisys behaviours	2.4									
3 Process & Information											
3.1	E2E projects & demand management review	2.4	In flight - expand to contract (inc. PMO, pre-paid work, 5-day rule, rate card, exclusivity etc.) & Council commissioning								
3.2	Implement projects "quick wins"	3.1	Changes that can be delivered without contract change e.g. process, comms								
3.3	ITIL process review	3.1	Prioritise service strategy, problem, capacity, incident, service request & "red" areas								
3.4	Implement & stabilise new processes	3.3									
3.5	Continual monitoring & improvement	3.4									ongoing
4 Technology & Products											
4.1	Digital strategy	-	In flight (Sean, Nadira) - delivery mid April								
4.2	IT strategy	-	In-flight (SOCITIM). Proposal mid-April								
4.3	Technology Roadmap	-	In flight (Agilisys / Methods assurance) - delivery Feb. Outcomes should be defined as projects. Detailed design & delivery as a project.								

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Work Package		Dependencies	Description	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
4.4	Portfolio review	1.3	E2E review of the projects portfolio (utilising new governance model) - identify those to be prioritised for visible benefit delivery pre May								
4.5	High priority project enhanced delivery	4.4	Deliver visible benefit prior to the re-launch in May								
5 Contracts, Commercial and KPIs											
5.1	Review SPA provisions	-	Briefing note on SPA provisions; Zena to obtain political direction; agree changes to provisions								
5.2	Review performance mechanism & KPIs	-									
5.3	Review 3P contract approach (Schedule 25)	-									
5.4	Review funding model E2E		Transparency; understand Agilisys model; Payments process; Capital/Revenue								
5.5	Define negotiation plan	1.2, 2.1, 2.9, 3.1, 5.1, 5.2, 5.3, 5.4	c3 weeks in Mar/Apr once initial workshops held								
5.6	Negotiate & agree CCN content	5.5	Take inputs from all streams & manage as an overall negotiation - will need proposals & financial impact from Agilisys & ongoing collaborative negotiation. Needs to be within bounds of original OJEU Needs to have right level of team and behaviours								
5.7	Implement CCN - move to new contract	5.6									

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Work Package		Dependencies	Description	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
5.8	Develop User Friendly Contract Guide	5.6									

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<p>Cabinet</p> <p>14 June 2016</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Melanie Clay, Director Law, Probity & Governance</p>	<p>Classification: Unrestricted</p>
<p>Healthwatch Tower Hamlets future commissioning intention</p>	

Lead Member	Councillor Amy Whitelock Gibbs, Cabinet Member for Health & Adult Services
Originating Officer(s)	Afazul Hoque, Interim Service Manager, Strategy, Policy & Performance
Wards affected	All wards
Key Decision?	Yes
Community Plan Theme	A Healthy & Supportive Community & One Tower Hamlets

Executive Summary

This report provides Cabinet with a summary of a review of Healthwatch Tower Hamlets (HWTH) and the proposals for commissioning of a new HWTH to ensure that a replacement service is in place by 1st April 2017. The paper also outlines the key elements of the new service model to ensure that the Council maximises the role of HWTH as an effective advocate for patients and critical friend of its statutory health and social care partners.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Note the key findings and recommendations arising from the review of Healthwatch Tower Hamlets (Para 3.9).
2. Authorise the Interim Service Head for Corporate Strategy & Equality to develop a detailed service specification which addresses the key findings of the review, in consultation with the Cabinet Member for Health & Adult Services.
3. Agree to the commissioning proposals for Healthwatch Tower Hamlets and authorise the Director Law, Probity and Governance to enter into contract with the preferred bidder which will be known as Healthwatch Tower Hamlets.

1. REASONS FOR THE DECISIONS

- 1.1 The Health & Social Care Act 2012 requires the Council to put in place arrangements for a local Healthwatch which is independent of local health and social care providers. The current contract for Healthwatch Tower Hamlets ends on 31st March 2017 and this report outlines proposals to put in place a replacement service by 1st April 2017. A decision is needed now to allow sufficient time for the procurement process and the mobilisation of the new contract so there is no gap in the service.

2. ALTERNATIVE OPTIONS

- 2.1 The current contract ends on 31st March 2017 and there are no options to extend this contract. The Council would be in breach of its statutory duty if a replacement service is not put in place.
- 2.2 The legislation allows the Council to award grant in aid but this is not recommended option for the following reasons:
- a) The Council wants the ability to set ambitious outcomes and monitor performance against these to achieve a high quality service, which the contracting process is more likely to achieve;
 - b) The Council is moving more generally towards commissioning and away from grants;
 - c) The competitive process will enable us to ensure that we achieve the best value in the current financial climate.

3. DETAILS OF REPORT

- 3.1 The Health and Social Care Act 2012 required the Council to put in place a Local Healthwatch organisation by April 2013 as a successor to the Local Involvement Networks. As set out in statute, the Local Healthwatch is expected to:
- 1. Provide information and signposting to the public about accessing health and social care services and making choices in relation to aspects of those services;
 - 2. Obtain the views of people about their needs for and experience of local care services and make those views known to those involved in the commissioning, provision and scrutiny of health and care services;
 - 3. Promote and support the involvement of local people in the monitoring, commissioning and provision of local care services;
 - 4. Make reports and make recommendations about how those services could or should be improved;
 - 5. Make the views and experiences of people known to Healthwatch England (HWE) helping it to carry out its role as national champion;
 - 6. Make recommendations to Healthwatch England to advise the Care Quality Commission to carry out special reviews or investigations into areas of concern.

- 3.2 The Council went through a formal tendering process and awarded the contract for establishing Healthwatch Tower Hamlets to Urban Inclusion in March 2013. The annual value of the contract was £245,000 and the contract was for two years with an option to extend for a further two years. As part of the contract review and the Council's requirement to find savings due to reductions in government funding, a 10% saving was taken in April 2015 and the current contract value is £220,500 with the contract ending in March 2017.
- 3.3 Urban Inclusion has set up Healthwatch Tower Hamlets as a Charitable Company made up of 12 Board Members. The majority of the Board Members are local residents with some third sector representatives. The Board is responsible for the business and performance of the organisation. The organisation has four staff members which includes a Chief Executive, Intelligence Manager, Communications and Engagement Officer and an Admin and Finance Officer.
- 3.4 Current performance
The Corporate Strategy and Equality Service leads on the commissioning and contract management of this service. This includes quarterly monitoring through performance reporting, meetings, and annual reviews. The Council also has a seat on the Healthwatch Board as a non-voting member. Overall Healthwatch Tower Hamlets has been performing adequately and has established itself as a recognised local champion for health and social care within the borough amongst key stakeholders. However, one area of poor performance has been the information and signposting function and the Council has been working with Healthwatch Tower Hamlets to address this. A stakeholder reflective audit undertaken last year also identified a number of areas for improvement including raising the profile of Healthwatch amongst local residents and other stakeholders and involving a range of stakeholders in the development of priorities and their work programme. To help develop priorities for the final year of the HWTH contract, and inform the future commissioning of HWTH, the Council undertook a detailed review to help better understand the strengths and weakness and how we can build on this.
- 3.5 The changing health and social care landscape
The health and social care landscape has gone through considerable change with responsibility for commissioning most local health services shifting to Clinical Commissioning Groups. The establishment of the Health & Wellbeing Board and the development of the Health and Wellbeing Strategy have enabled local partners to work together more effectively to address health inequalities and other local priorities. Public Health functions have also transferred to the Council and at a local level there has been the creation of Barts Health Trust with the merger of three local hospitals. In addition, the Care Act 2014 placed a greater focus on the integration of health and social care to provide a more holistic service to local people. At the same time the financial pressures and spending reductions facing the NHS and local councils are significant and both the NHS and social care continue to face demand pressures. In this context there is the potential for significant changes to the way in which health and social care services are provided and it is vital

that effective and robust structures are in place to champion the voice of residents and service users.

3.6 Local challenges

Health inequality is a key issue for the borough with health outcomes for local people still falling short of the London average. We know that the high levels of deprivation in the borough contribute to health inequality, as does personal behaviour and a lack of access to treatment and services. The Community Plan has identified a number of objectives to help make Tower Hamlets a healthier place. One of those objectives is 'empower people to live healthy lives together' and a key way of achieving this is ensuring residents' experiences inform policies, structures and services. In this context an effective Healthwatch should:

- Engage local people so that they feel a greater sense of control and 'ownership' over their health and social care services
- Enable local people to become involved in decision making and scrutiny of services
- Provide an opportunity for local people to help others, by providing information and signposting, develop social ties, and address local concerns
- Strengthen the relationship of cooperation and collaboration between the statutory sector and service users
- Contribute towards and develop public understanding and confidence in the local health and social care economy so it is used more effectively and efficiently
- Support our commitment in ensuring health and social care services are accountable to local people and standard of care is maintained / improved.

REVIEW OF HEALTHWATCH TOWER HAMLETS

3.7 The aim of the review was to understand current performance – including strengths, weaknesses and gaps – in detail, help develop the priorities for the final year of the HWTH contract and support the re-commissioning of HWTH through building on existing strengths, identifying areas for improvement and incorporating good practice from other local Healthwatch organisations. The findings from the review have helped set out a refreshed vision for Healthwatch Tower Hamlets (see para 3.10) and will inform the retender of the contract.

3.8 The review was carried out between January and February 2016 and comprised of:

- Desk based research: local performance, national and local literature review on Healthwatch and community engagement
- Stakeholder engagement through focus groups, meetings and interviews – see *Appendix A to this report for more information*
- Visits to other London local Healthwatch recommended as good practice sites

3.9 The key findings and recommendations from the review focus on the following 7 areas:

i. **Reach, representativeness and profile**

- HWTH have an excellent pool of volunteers who are an effective resource for the organisation in delivering outreach work, conducting ‘enter and view’ visits as well as collecting patient feedback and carrying out research. HWTH manages its voluntary workforce well, and has a good balance of skills on the board. Having recruited some new board members in 2015, HWTH is exploring ways to harness the skills and experience of board members more in the work of the organisation.
- Whilst many local people had not heard of Healthwatch, those that had were generally very positive about their experience of the organisation, saying that staff ‘really listen’ to people’s concerns and give local people a voice. However, the low public awareness more broadly shows a clear need to raise the profile of HWTH across the community, particularly its consumer champion role. Awareness of the organisation was patchy both among different communities in the borough and between different groups and care settings. In particular, very few young people had heard of HWTH.
- Many stakeholders across community groups and within the health and care system, along with some HWTH volunteers, thought that the current office base for the organisation at Mile End hospital was not in the best location for visibility to the local community and accessibility. However, this has to be balanced with affordability as rents for premises in prime locations are high. The current location has enabled HWTH to forge a good working relationship with the East London Foundation Trust and other health colleagues. Whilst there are potential advantages from HWTH’s main office being located alongside Council or health partner services, the organisation is independent of the Council and should be seen as such.
- There was a common view that HWTH needs to do more to feed back on the outcomes of its activities – both to show volunteers the impact of their work and to demonstrate to the public and stakeholders the importance of HWTH.

Recommendation 1: That HWTH improves the way it produces feedback on its work to the public and partners, for example by introducing a ‘*You Said, We did....*’ reporting framework to communicate the outcomes of its activities.

Recommendation 2: That the new contract for HWTH stipulates that HWTH operates from a main base that maximises the visibility of the organisation to the local community. To facilitate this, in the long term, the council should ensure that the new Civic Centre on the site of the old Royal London Hospital in Whitechapel is actively considered as a potential future location for HWTH’s main office.

Recommendation 3: That HWTH communicates its outreach and engagement plans to other local organisations in advance and that the council supports HWTH

to have a presence at community engagement events being run by other organisations.

Recommendation 4: That HWTH builds on the work started with the Community Intelligence Bursary as this is proving to be a good way to involve a diverse range of local people including seldom heard voices, such as Somali carers, in setting priorities and delivering its work programme.

Recommendation 5: That HWTH builds on the Youth Panel and further develops its direct targeting and engagement of young people through working with partners including Queen Mary University, Tower Hamlets College and via its online presence.

Recommendation 6: That HWTH strengthens and tailors its social media activity to reach a more diverse range of local people and to open up access for people to interact with HWTH and use the service it provides. To do this HWTH should start by looking at existing best practice from other local Healthwatch organisations.

Recommendation 7: That the council, NHS partners and community organisations that the council contracts with should actively publicise HWTH to service users, patients, families and carers. Where appropriate this expectation should be incorporated into contracts.

Recommendation 8: That HWTH builds its profile and links with Councillors and explores how to share information and offer support as appropriate.

Recommendation 9: That the council supports HWTH in raising its profile by including information about HWTH in mailings that already are sent to all households, for example annual Council Tax booklets and linking to HWTH in its social media activity where appropriate.

ii. Relationships and influence

- HWTH is recognised as a key partner across the governance structures in the health and care system. They have good links with a range of voluntary and community organisations across the borough and are valued for bringing the 'patient voice' to a range of forums and meetings. However, more work needs to be done in terms of HWTH developing effective relationships with social care and children's services; the relationships with the health sector are more established.
- Senior stakeholders who were consulted as part of this review cited several examples where HWTH had made a difference through their work, for example through 'enter and view' visits in Community Mental Health settings. Also senior NHS staff stated that HWTH influence is implicit in that their presence obliges them to be thorough in thinking about patient involvement, for example in consultations around service change. A number of examples were provided of how HWTH bring the patient voice to meetings and discussions.

- Many stakeholders expressed a willingness to develop more partnership work with HWTH and acknowledged that they themselves had not always been proactive in pursuing collaborative work with HWTH. For many organisations the desire to work collaboratively with HWTH has to be balanced against finite resources, limited capacity and competing priorities across the health and care system and local community organisations. The Council, the CCG and NHS organisations have all offered to help raise the profile of HWTH locally and set out examples of how they can support and promote HWTH and its activities.
- Some partners felt that HWTH was at times lacking in credibility by the organisations it was seeking to influence or hold to account both through an approach described as sometimes 'confrontational' or 'hostile' and an overuse of anecdotal evidence. Some concern was expressed that in public HWTH can focus more on 'holding the system to account' which can be counter-productive in terms of building relationships based on confidence and trust, which can then be more effective in terms of achieving change. Various stakeholders felt it would be beneficial for HWTH to focus on developing collaborative solutions to the problems they identify through patient feedback and to ensuring they strike the right balance in their 'critical friend' role.

Recommendation 10: That HWTH further develop the skills of board members to invest in relationship management across the health and care system through developing partnerships or board mentoring schemes with other local HW that demonstrate good practice in this skill set.

Recommendation 11: That HWTH builds trusting and collaborative relationships with key local decision makers through regular formal and informal meetings.

Recommendation 12: That when the new contract is awarded, HWTH needs to reset or further develop key relationships through the following:

- High level meetings with relevant partners to ensure a mutual understanding of roles, remits and priorities
- Review of HWTH representation on boards, committees and working groups to ensure that it is appropriate for all sides and demonstrates effective use of resources

Recommendation 13: That HWTH strengthens its use of evidence of problems to identify, push for and co-develop solutions in collaboration with the local health and social care system.

iii. Strategic focus

- The consensus was that in the next phase of its evolution, HWTH needs to move its focus from bringing patient concerns and complaints to give more emphasis to working with the system at a strategic level to identify solutions that are patient-centred. This is a key component of the organisation's 'critical friend' role. There

are opportunities to maximise the impact of HWTH's work through aligning focus with key stakeholder priorities or ensuring its work focuses on gaps or areas that are not being addressed by the statutory partners, to avoid duplication.

- There was recognition that HWTH currently carries out a broad range of activities, including for its main contract and additional patient involvement work where requested by statutory partners. Sharpening the focus of HWTH to work on fewer clear priorities would enable it to have more significant impact.
- Based on the review visits to other local Healthwatch organisations, HWTH should prioritise issues to investigate based primarily on the intelligence it receives from the public; patterns of concerns and complaints. Other Healthwatch use this evidence to develop two-year work plans and assess new work opportunities against these strategic priorities and any emerging issues that are coming through from patients and the public. This would be a good way to use limited resources and ensure strategic focus and impact as well as maintaining independence from the statutory partners it needs to influence.
- Going forward, the aspiration should be to move away from just 'holding the system to account' and towards working in a collaborative way to develop solutions based on what they are hearing from the public, whilst retaining the independence to publicly challenge the system if required. Taking a more solutions-focused approach will help to build the credibility of HWTH so that when it does need to take a more robust approach, its influence and impact is greater with providers and commissioners.

Recommendation 14: That the council and other partners support HWTH to independently set its strategic priorities on a basis that is firmly rooted in the intelligence that HWTH receives from patients and the public and informed by an excellent understanding of the local health and care system.

Recommendation 15: That HWTH leads on setting its strategic priorities supported by structured input from the local health and care system. The existing arrangements for involving local partners in discussing strategic priorities and measuring performance should be strengthened to form a small strategic advisory group for HWTH (including the Council, CCG, Barts Trust, East London Foundation Trust and a voluntary sector representative). The group will need to have clear terms of reference that stipulate HWTH's independence and address any potential conflicts of interest.

Recommendation 16: That HWTH uses a small number of strategic priorities which it sets independently to determine its overall work programme and to make decisions about whether to take on additional pieces of work.

iv. Information and signposting

- HWTH is required to provide information and signposting as one of its core statutory functions. This is a key aspect of the organisation's current performance that needs to improve significantly. It is also an area where there is potential for duplication with other locally commissioned services, such as the 'Local Link' consortium providing social care information and advice, the NHS complaints advocacy service, a public health outreach pilot in Idea Stores and various voluntary organisations that perform signposting functions.
- Very few stakeholders or local residents who took part in this review were aware of this service. Progress has been hampered as the Healthwatch hub; a portacabin outside the Royal London hospital was closed due to unforeseen circumstances, shortly after opening in September. Considerable energy and effort went into setting up the hub, which was designed as a place for people to visit, find out about Healthwatch, give feedback and get information and signposting.
- The visits to other local Healthwatch highlighted good systems for capturing data about information and signposting activities, and using it to inform other work, such as setting their strategic priorities and determining which issues arising to pursue. The best Local Healthwatch also demonstrated a strategic approach to linking the information and signposting function to targeted outreach activities. High visibility of the Local Healthwatch in the community was a significant driver of enquiries from patients and the public, with outreach another key source.

Recommendation 17: That HWTH immediately prioritise devising and implementing a strategy for delivering the information and signposting function more effectively.

Recommendation 18: That the council works with NHS partners to develop a more co-ordinated health and social care information and signposting function through the Wellbeing Hub. The HWTH remit and role in respect of the Wellbeing Hub needs to be clearly defined to avoid duplication.

Recommendation 19: That HWTH develops a better system for capturing its performance around information and signposting work and recognises the need to cross-reference its activities; enter and view visits, outreach work and seeking patient experience feedback all can involve an element of signposting.

v. Outcomes: evidence and reporting

- HWTH's Community Intelligence Bursary (CIB) was cited by a number of senior stakeholders in the health and care system as an excellent example of good practice in engaging the local community in research in health and care issues. However, people were keen to know what the impact of this work has been so far, and what actions are planned in future. This highlights the importance of

HWTH communicating regular feedback of the work they are doing and the changes that they have contributed to.

- Going forward HWTH needs to move further beyond anecdote to using rich, qualitative information and evidence in a credible and strategic way. The investment in building the quality and depth of its information repository should serve as a mechanism for developing HWTH's strategic priorities, identifying issues from patients that need further investigation, tracking patterns of concerns or complaints, and providing a good evidence base for presenting constructive challenge to the health and care system and producing credible, evidence based reports. Staff and board members consulted as part of this review acknowledged that this was an area that needs more attention.
- Some stakeholders found the reports they get from HWTH very useful but others felt that the format and presentation of evidence could be improved and others questioned the methodologies used and the claims made on the basis of small samples. Stakeholders recognised the value of qualitative information and a range of methodologies, but felt HWTH should be more open about how they have gathered and analysed evidence to reach conclusions. There is a need for HWTH to maximise its use of evidence strategically, to determine focused priorities and achieve influence. This also links to the findings above about using evidence of problems to identify and co-develop solutions with statutory partners.
- Other Local Healthwatch use mechanisms like a simple audit tool to track progress of issues they raise and demonstrate contribution to change; intelligence monitoring systems to classify and track work; use trends to inform other activities, and partnering with academic institutions to provide quality assurance or student placements to boost their research expertise.

Recommendation 20: That HWTH strengthens its system for evidencing the outcomes of its activities and telling people about this. This should be done by deploying a 'contributory' theory of change rather than a direct 'cause and effect' model. HWTH should state what it has done and what happened, acknowledging this is not in isolation.

Recommendation 21: In the next phase of its development HWTH should invest in building its insight and intelligence capacity, through both maximising what it captures through all of its activities and on systematically analysing the information it collects to inform work programmes and priorities.

Recommendation 22: HWTH should consider partnering with a local academic institution to help to improve the quality of its reports and provide some external endorsement which will build credibility and confidence in the data reported.

Recommendation 23: HWTH should explore how it can utilise the skills and expertise of its board members and their networks in supporting the evidence and reporting capacity within the organisation, for example by offering some peer review or training.

Recommendation 24: That the council facilitates support to HWTH to offer HWTH a range of tools and resources to improve its evidence and reporting function.

vi. Governance

- Generally HWTH was considered to be well governed; however there are a number of areas which require more clarity. For example whether additional pieces of work that HWTH (or the host organisation Urban Inclusion) are commissioned to carry out impact on the delivery of their statutory activities. Recent guidance from the Local Government Association acknowledged that a key challenge is the clarity around roles and responsibilities where an organisation is contracted to provide a Healthwatch function, which also bids for other commissioned work and sources of funding.

Recommendation 25: That there are good outcome measures in place for demonstrating that HWTH is well governed such as evidencing that it has transparent decision making processes and clarity of roles and responsibilities.

Recommendation 26: That HWTH looks at expanding opportunities for the public, members and volunteers to contribute to setting its overall strategic objectives so it can be increasingly seen as representing the interests of the broader community.

vii. Contract and commissioning

- The relationship between the commissioner and local Healthwatch is key to the overall success of the organisation. The existing relationship was found to be positive with an element of challenge where appropriate. Healthwatch England states that it matters less where within the council the commissioning sits, than that the relationship is constructive and challenging where required.
- The current contract specification for HWTH contains performance indicators based predominantly on outputs and quantitative targets. This needs to be reviewed as the targets drive activity over strategic impact. The new specification, whilst necessarily including some required outputs, needs to be framed in terms of evidencing outcomes and impact. For example, when reviewing performance around *influence*, numerical targets in terms of number of committees or meetings attended, consultation responses and so on should be minimised and supplemented by outcome measures of contribution to change. An example might be:

Statement: *"HWTH is an effective check and balance on the health and care system."*

Evidence: Audit trail of when HWTH brought an issue forward and tracked against decisions and changes.

Recommendation 27: That the basic Contract includes a clearly defined and agreed performance related element based on outcomes rather than outputs.

Recommendation 28: That the council strengthens the involvement of other partners including the CCG and Public Health in designing the specification for the new contract, in the commissioning process and contract monitoring.

Recommendation 29: That the Quality Statements developed by HWE form the basis of the outcomes that are used to measure performance in the new HWTH contract and that key aspects of the audit and self-assessment tools developed by HWE and the LGA are incorporated into regular contract monitoring.

Recommendation 30: That the new model for HWTH is based on the following vision statement (see para 3.10)

FUTURE COMMISSIONING PLAN

3.10 The HWTH review outlines the following vision for HWTH:

“The vision is for Healthwatch Tower Hamlets to be recognised by the whole community and the local health and care system as the credible, influential and independent voice of the public across health and social care.

HWTH gives adults, young people and children from our diverse communities across the borough a greater say in how health and social care services are run in Tower Hamlets. HWTH will identify problems and priorities based on public intelligence, work collaboratively with the Council and NHS to actively seek solutions, constructively challenge where needed, and inform decision making in health and social care.”

3.11 Whilst the review has highlighted areas of strength of HWTH, there are a number of areas where performance has not met expectations or where there are opportunities to build on strengths to have more significant impact locally. To enable HWTH to perform effectively in future, the following characteristics will be considered as priorities within the new model:-

- A high profile and visible organisation which maximises accessibility to the local community to ensure it can engage and involve a diverse range of local people in its activities;
- Ensures that its work has a tangible impact on service design and delivery which improves outcomes for local people and communicates this to a range of stakeholders and the local community;
- Uses innovative and creative ways of engaging the community which encourages and supports a range of local residents, patients / service users and carers to get involved;
- Complements existing and emerging information and signposting services within the borough to ensure this function adds value for local people;

- Develops strategic partnerships and effective working relationships with organisations in Tower Hamlets and other local and regional networks to address local health and social care priorities;
- Utilises support from the Council, NHS and local voluntary and community sector providers to help raise its profile and address local priorities;
- Develops its 'critical friend' role so that HWTH strengthens the use of evidence of problems to identify, push for and co-develop solutions in collaboration with the local health and care system. Doing this effectively will require more emphasis on private engagement and informal influencing as well as presence at public meetings. It also requires strong and credible evidence to back up its influencing activities;
- Utilises intelligence gathered from local people, performance and complaints information to set its strategic focus and priority areas for investigation;
- Builds credibility and accountability through having appropriate governance checkpoints, for example a small strategic advisory group comprised of Council, local health and care system and voluntary sector stakeholders to provide a sounding board for setting priorities.

3.12 The new service model will be based on the quality statements that have been developed by HWE in partnership with local Healthwatch organisations and Leeds Beckett University to help local Healthwatch organisations and commissioners to assess and improve performance. The Council will use these statements as a basis for building a set of outcome measures and KPIs that are tailored to meet local needs. Key statements include:

- Local Healthwatch develops priorities based on the experience and concerns of the public, whilst recognising the local health and social care context and priorities.
- Local Healthwatch has trusting, collaborative relationships with key local decision makers through regular formal and informal meetings where its role as "critical friend" is understood.
- Local Healthwatch has a clear action plan for reaching out to and informing local people of its priorities and activities.
- Local Healthwatch uses the opinions and experiences of the public, where appropriate, to produce recommendations for change.
- Local Healthwatch recommendations for change are heard and responded to by relevant decision makers.
- Local Healthwatch systematically uses the intelligence it gathers in its advice and information role to inform its priorities.

3.13 Focusing on the vision outlined in paragraph 3.10 the Council is working collaboratively with local people and potential providers to develop a new services specification to deliver an effective local Healthwatch. This includes a number of sessions with local people to help develop the outcomes and activities to be delivered by HWTH and a market development workshop with providers to test and further refine these outcomes and activities.

3.14 The vision and characteristics, and the on-going work with local people and suppliers, will be used to develop the service specification for Healthwatch Tower Hamlets. Organisations bidding for this contract will be expected to

demonstrate their ability to build on the work of HWTH and meet the requirements set out in the new service specification. The procurement process will be undertaken in line with the Council's agreed procurement framework. The draft timetable for this is outlined below:

- Advert and Invitation to Tender – 27th July 2016
- Suppliers Event – 10th August 2016
- Return of tender documents – 31st August 2016
- Interview and Presentation – 21st September 2016
- Contract Award – 24th October 2016
- Contract Mobilisation – Jan – March 2017

Contract value and length

3.15 Benchmarking data on contract values from London boroughs vary from £100,000 to £244,559 based on 2015/16 contract values. Based on data from 22 boroughs, the average London Healthwatch contract is £159,487. It is worth bearing in mind the variations in contract values also reflect differences in population needs and other factors subject to variation such as the complexity of local health economies.

3.16 Healthwatch Tower Hamlets is funded through revenue funding as well as an additional grant provided through the Local Reform and Community Voices Grant from the Department of Health. The current annual budget is broken down as follows:

Revenue Funding 2015/16	£132,885
Local Reform and Community Voices Grant - spend on Healthwatch	£87,615
Total	£220,500

3.17 The future of the Local Reform and Community Voices Grant, including for 2017/18 and beyond, is unclear. It may be maintained, reduced or transferred to DCLG and allocated as part of our Revenue Support Grant. The on-going reductions to the Council's budget means this contract will need to demonstrate it is providing value for money and efficiencies. It is recommended that new contract value for Healthwatch Tower Hamlets from April 2017 will be in the range of £170,000 - £180,000 per annum. Whilst this is above the current London average, it is in line with some of the best practice boroughs we reviewed and those with similar characteristics as Tower Hamlets, but still enables the Council to achieve a saving. The new contract will also set more ambitious targets and build on work undertaken to ensure greater impact by Healthwatch, supporting value for money for the Council. We are also considering how information and signposting can be better co-ordinated locally to ensure this particular statutory function of HWTH adds value to local service provision. A reduction in the contract size would also reduce financial risk given the future uncertainty about the Local Reform and Community Voices Grant. The new contract will have provision for an annual review and variations to consider changes to funding levels. The contract will be for 2 years with an option to extend for 1 year plus 1 year

giving a total of 4 years. This provides sufficient time for a provider to establish and plan a long term future for HWTH as well as allowing the Council to review and consider its position given any future policy and funding changes.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 Comments of the Chief Financial Officer are contained within the body of the report, see paragraphs 3.15 to 3.17 above.
- 4.2 There is some uncertainty with regards levels of grant funding received to fund the Healthwatch service. Should grant funding be reduced in future years, either additional internal resources would need to be identified or contract/service levels amended to accommodate future funding changes.
- 4.3 However, should funding levels remain at current levels and the desired contract efficiencies be realised, there is potential for there to be up to £40k additional funding that will need to be allocated, either to reinvestment back into Healthwatch services or contribute towards MTFS savings.

5. LEGAL COMMENTS

- 5.1 The Health and Social Care Act 2012 (“the 2012 Act”) amends the Local Government and Public Involvement in Health Act 2007 (“the 2007 Act”) to make provisions about local Healthwatch as the consumer champion for health and social care services. The legislation stipulates that there must be arrangements for a local Healthwatch in each local authority area.
- 5.2 The body contracted to be the local Healthwatch must be a ‘body corporate’ (i.e. a legal entity), which is a social enterprise. ‘Social enterprise’ does not have a single legal definition (rather, it is a collective description of social-purpose organisations) and there are several legal forms for it. However, a general description would be ‘businesses with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community’.
- 5.3 Section 221(2) of the Local Government and Public Involvement in Health Act 2007 sets out the activities that Tower Hamlets Healthwatch must undertake pursuant to the contractual arrangements made with the Council. Section 227 of 2007 Act Requires the Healthwatch to prepare an annual report into its activities.
- 5.4 Local Healthwatch have a statutory seat on the Health and Wellbeing Board to help them to effectively influence the commissioning and provision of services through producing evidence-based reports and recommendations about how those services could or should be improved.

- 5.5 When the retendering process is initiated for Healthwatch services, the Council's Legal Services will advise to ensure that relevant statutory and constitutional provisions are complied with in particular the Public Procurement Regulations 2015, the Council's Procurement Procedures and the duty to obtain best value as required by section 3 of the Local Government Act 1999.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 The review specifically explores the extent to which HWTH is inclusive and representative of the diverse local population of Tower Hamlets. Recommendations arising from the review suggest ways that HWTH can reach people of all ages and backgrounds across the borough. The review also seeks to maximise the opportunity for local people in Tower Hamlets including those whose voices are seldom heard to become more engaged in setting the priorities for HWTH and delivering its work programmes. HWTH is a resident-led organisation which empowers local people to shape local service provision. The new contract will have an emphasis on building the capacity of a diverse range of local people to be involved in the design and scrutiny of local health and social care services.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 The Council is using the evidence from the review to inform the contract specification for the retender of HWTH and will ensure that the future model of local Healthwatch is sustainable, fit for purpose, cost effective and demonstrably adds value to the local community.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 There are no direct sustainable actions for a greener environment arising from this report.

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 The Council is legal required to establish a local Healthwatch to champion the voice of local people in health and social care. The review and commissioning timetable has sufficient leeway built into it to ensure there are no gaps in provision.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1 There are no direct crime and disorder reduction implication arising from this report.

11. SAFEGUARDING IMPLICATIONS

- 11.1 Healthwatch Tower Hamlets has a legal duty to champion local people's views on health and social care in Tower Hamlets. In particular working with

local people to obtain their experience of services and feed this back to the relevant commissioner and organisation. In conducting their duty Healthwatch Tower Hamlets is required to consider safeguarding implications and ensure these are reported accordingly. All Healthwatch staff, board members and volunteers are required to have appropriate safeguarding training and DBS checks.

Linked Reports, Appendices and Background Documents

Linked Report

- None

Appendices

- Appendix A - METHODOLOGY FOR STAKEHOLDER ENGAGEMENT

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

None

Officer contact details for documents: N/A

APPENDIX A: METHODOLOGY FOR STAKEHOLDER ENGAGEMENT

- Meetings and semi-structured interviews with key stakeholders in the health and social care system including LBTH (Adults Services, Children's Services, Public Health & Community Engagement leads), the Tower Hamlets Clinical Commissioning Group (CCG), Bart's Health Trust, East London Foundation Trust, Healthwatch England, HWTH staff and board members and HW commissioners in other areas.
- Discussion groups with Healthwatch volunteers, community groups including the Health & Wellbeing forum, Voluntary and Community Sector representatives and equality forums

STAKEHOLDER ENGAGEMENT RECORD (HWTH Review)	
ORGANISATION / DEPARTMENT	METHOD
LBTH (officers)	
Adults services	Meeting (Semi-structured questionnaire)
Children's services	Meeting (Semi-structured questionnaire)
Community engagement leads	Telephone meetings
Public Health	Meeting (Semi-structured questionnaire)
Corporate Strategy & Equalities Dep't	Workshop session at team meeting
LBTH (Elected members / committees)	
Cabinet	Meeting with Cabinet Lead (Health & Social Care)
Health & Wellbeing Board	Paper (15/3/16)
Health Scrutiny Panel	Paper and discussion at meeting 17/2/16
Local Health & Social Care System	
Tower Hamlets CCG	Meetings with key staff (Semi-structured questionnaire)
Barts Health Trust (Senior Managers)	Meetings / telephone interviews
East London Foundation Trust (Director)	Meeting (Semi-structured questionnaire)
Care Quality Commission (local inspectorate team)	Briefing and email feedback
NHS England Area team (Senior manager)	Telephone meeting (Semi structured questionnaire)
Carer's Centre	Presentation & briefing, interviews with staff and clients
Mental Health Joint Commissioning Team (LBTH / CCG) Senior Commissioner	Briefing & feedback via email answering key review questions
CQC local Lead officer	Brief telephone feedback (new in post)
Family Action Tower Hamlets	Meeting (Semi-structured questionnaire)
Local NHS GP Practice Network	Presentation and discussion at meeting (18/2/16)

Healthwatch Tower Hamlets	
Staff	Meeting (Semi-structured questionnaire)
Board members	Meetings (Semi-structured questionnaire)
Advisory group	Workshop session as part of meeting (19/1/16)
Volunteers	2 focus groups
Healthwatch (local and national)	
Visit to HW Hillingdon	Case study site visit, interviews with key staff
Visit to HW Wandsworth	Case study site visit, interviews with key staff
Healthwatch England (HWE)	Telephone interviews with National Development Managers
Local Healthwatch in other borough(s)	Commissioners input via Network Meetings (Greater London)
Local residents / community organisations	
Tower Hamlets CVS (senior manager)	Telephone meeting (Semi structured questionnaire)
Safer Neighbourhoods Board	Briefing to members seeking feedback via email
Community Involvement Network (CIN)	Briefing to members seeking feedback via email
Older People's forum	Workshop session at meeting (25/1/16)
VCS Health & wellbeing forum	Briefing, presentation & discussion at meeting (21/1/16)
Youth Council & relevant subgroups	Briefing on HWTH at workshop on mental health
Parent and Carer Council	Workshop session at Council meeting (10/2/16)
Women's Health and Family Services (WHFS)	Telephone meeting (Semi structured questionnaire)
Local Somali Community Centre (Manager)	Telephone meeting (using review questions)
Young people (general)	Peer research survey of 20 young people (18 - 23 years old)
Local Voices	Briefing to members seeking feedback via email
Interfaith Group	Briefing to members seeking feedback via email

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Agenda Item 5.4

Cabinet 14 June 2016	 TOWER HAMLETS
Report of: Zena Cooke, Corporate Director of Resources	Classification: Unrestricted
Corporate Directors' Decisions	

Lead Member	Councillor David Edgar, Cabinet Member for Resources
Originating Officer(s)	Alimul Kadir, Accountant - Financial Planning
Wards affected	All wards
Key Decision?	No
Community Plan Theme	One Tower Hamlets

Executive Summary

This report sets out Corporate Directors' decisions under Financial Regulation B10 which stipulates that such decisions be the subject of a noting report to Cabinet if they involve expenditure between £100,000 and £250,000.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Note the Corporate Directors' decisions set out in Appendix 1.

1. REASONS FOR THE DECISIONS

- 1.1 Financial Regulations require that regular reports be submitted to Cabinet setting out financial decisions taken under Financial Regulation B10.
- 1.2 The regular reporting of Corporate Directors' Decisions should assist in ensuring that Members are able to scrutinise officer decisions.

2. ALTERNATIVE OPTIONS

- 2.1 The Council is bound by its Financial Regulations (which have been approved by Council) to report to Cabinet setting out financial decisions taken under Financial Regulation B10.
- 2.2 If the Council were to deviate from those requirements, there would need to be a good reason for doing so. It is not considered that there is any such reason, having regard to the need to ensure that Members are kept informed about decisions made under the delegated authority threshold and to ensure that these activities are in accordance with Financial Regulations.

3. DETAILS OF REPORT

- 3.1 Financial Regulation B10 sets out the Cabinet Reporting Thresholds for the following financial transactions:
 - Virements
 - Capital Estimates
 - Waiving Competition Requirements for Contracts and Orders (Subject to EU threshold)
 - Capital Overspends
 - Settlement Of Uninsured Claims
- 3.2 Under Financial Regulation B10, if the transaction involves a sum between £100,000 and £250,000 it can be authorised by the Corporate Director under the scheme of delegation but must also be the subject of a noting report to the next available Cabinet.
- 3.3 There have been two new Corporate Directors' Decisions between £100,000 and £250,000 since the last report on 10th May 2016. The details of these are provided within Appendix 1.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 The comments of the Chief Financial Officer have been incorporated into the report and Appendix.

5. LEGAL COMMENTS

- 5.1 The report sets out individual Corporate Directors' Decisions for noting by Cabinet, as required by Financial Regulation B10.

- 5.2 Internal guidelines have been published setting out the process by which Records of Corporate Directors' Decisions are completed. These specify that the proposed decision must be in accordance with the Council's Financial Regulations and its Procurement Procedures. There are limited circumstances in which a waiver of the Procurement Procedures is permissible and the guidelines reinforce that waivers should not be sought as a substitute for proper planning.
- 5.3 Each director's decision requires prior authorisation by the relevant service head, the responsible procurement officer, the directorate finance manager, and the chief legal officer before agreement by the corporate director. A template form is completed to record each director's decision and these Records of Corporate Directors' Decisions (RCDDs) must be maintained by each directorate. The legal implications of each of the individual decisions are provided as part of the decision making process and are recorded on the relevant RCDD.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 This report is concerned with the notification of officers' decisions under Standing Orders and has no direct One Tower Hamlets implications. To the extent that there are One Tower Hamlets Considerations arising from the individual decisions, these would have been addressed in the records of each decision.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 Best Value implications associated with each of the Corporate Directors' decisions as set out in Appendix 1 would have been identified and evaluated as an integral part of the process which led to the decision.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 There are no Sustainable Action for A Greener Environment implications arising from this report.

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 The risks associated with each of the Corporate Directors' decisions as set out in Appendix 1 would have been identified and evaluated as an integral part of the process which led to the decision.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1 There are no Crime and Disorder Reduction implications arising from this report.

11. SAFEGUARDING IMPLICATIONS

- 11.1 Safeguarding risks or benefits associated with each of the Corporate Directors' decisions as set out in Appendix 1 would have been identified and evaluated as an integral part of the process which led to the decision.
-

Linked Reports, Appendices and Background Documents

Linked Report

- None

Appendices

- Appendix 1 – Corporate Directors' Decisions under Financial Regulation B10

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

- None


Officer contact details for documents:

- Paul Leeson, Finance Business Partner, Development & Renewal, Ext. 4995
- Stephen Adams, Finance Business Partner, Communities, Localities & Culture, Ext. 5212

Appendix 1: Corporate Directors' Decisions under Financial Regulation B10

Corporate Director	Reference	Amount	Description of Decision	Justification for Decision	Contractor's Name and Address	Date signed	Contact
Aman Dalvi Development & Renewal	065 - 2015/16	£160,000	Waiver of financial regulations for a 4 month extension to the Building Control structural checking services contract. This approval is in excess of the noting threshold of £100,000.	<p>A contract was awarded in June 2014 for Building Control structural checking services for developments with an estimated construction cost of greater than £20 million. Due to the scale of new development being undertaken within the borough, the original contract sum of £75,000 has been exhausted, and further contractual arrangements need to be put in place for the continuation of this service.</p> <p>The Council has a statutory duty under Section 91 Building Act 1984 to ensure that all new large developments can be justified by calculation. To ensure the Council is not at risk of failure to discharge its statutory duty, it is necessary to waive procurement procedures and extend the contract at a cost of £160,000, while a new procurement exercise is undertaken. The cost is fully met from fee income generated by the Building Control service.</p>	Monson Engineering Ltd Broadway Chambers High Street Crowborough East Sussex TN6 1DF	27/04/2016	John McGeary Planning and Building Control Ext. 5242
Stephen Halsey Communities, Localities & Culture	073 - 2015/16	£120,000	Waiver of financial regulations for the 12 month extension to the AP Security contract. This approval is in excess of the noting threshold of £100,000.	The Council is in the process of procuring a council wide security contract. Due to slippage in the programme Corporate Procurement have advised that the Arts Parks and Events team seek to extend the existing contract arrangement for a 12 month period ending 31st March 2017, which will enable the Events Programme to continue to be delivered for 2016/17.	A P Security (North) Ltd Unit 33 The Metro Centre Dwight Road Watford Hertfordshire WD18 9SB	22/04/2016	Stephen Murray Arts Parks and Events Ext. 7910

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<p>Cabinet</p> <p>14 June 2016</p>	
<p>Report of: Matthew Mannion, Committee Services Manager</p>	<p>Classification: Unrestricted</p>
<p>Mayor's Individual Executive Decisions – List of Recently Published Decisions</p>	

Lead Member	Mayor, John Biggs
Originating Officer(s)	Matthew Mannion, Committee Services Manager
Wards affected	All wards
Key Decision?	No
Community Plan Theme	All

Executive Summary

The Council's Constitution provides for the Mayor to take Executive decisions either at meetings of Cabinet or outside of the meetings as Individual Mayoral Decisions.

These individual decisions are published on the Council's website but to aid transparency, this noting report lists recent individual decisions that have been taken.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Note the Individual Mayoral Decisions set out in Appendix 1.

1. REASONS FOR THE DECISIONS

- 1.1 This is a noting report to aid transparency.
- 1.2 The reasons each decision were taken are set out in their specific reports.

2. ALTERNATIVE OPTIONS

- 2.1 The alternative option would be to not produce this report, but that would not aid transparency of decision making.

3. DETAILS OF REPORT

- 3.1 The Council's Constitution (Part 4.4 Executive Procedure Rules) sets out that "decisions on executive functions are taken by the Mayor, either at the Cabinet meeting or separately". Decisions taken outside of Cabinet are known as Individual Mayoral Decisions.
- 3.2 The majority of decisions are taken at Cabinet meetings but on occasion, due to the nature of the decision (for example, the urgency required), decisions are taken individually by the Mayor outside of the Cabinet meetings.
- 3.3 Any individual decisions taken must follow standard procedures including, for Key Decisions, advance publication of a notice to take the decision on the website. The sign-off sheets containing an introduction to the decisions and the decisions taken along with the full decision reports are published on the website once the decision has been taken and are available on the Tower Hamlets website through www.towerhamlets.gov.uk/committee.
- 3.4 If a specific decision report is Exempt/Confidential under the Access to Information Procedure Rules (Part 4.2 of the Constitution) then notice that the decision has been taken will still be published along with the reason why the report is exempt but the report itself will not be published. In other cases only part of the report may be exempt.
- 3.5 In line with the Constitution, all Individual Mayoral Decisions are subject to the Call-In procedure (Part 4.5 Overview and Scrutiny Procedure Rules). Councillors may call-in the decision within 5 working days of the decision being published on the website.
- 3.6 Each individual decision is given a unique reference number which is recorded on the relevant sign-off sheet and agenda front sheet. Numbers from 101 upwards relate to individual decisions taken by Mayor John Biggs.
- 3.7 The Mayor has requested that, to aid transparency, a noting report be presented at each Cabinet meeting listing recent Individual Mayoral Decisions. The sign-off sheets for each decision are also appended to this report for information.

3.8 The list of decisions to report to this Cabinet meeting are:

List of Individual Mayoral Decisions taken since the last report

Decision Number	Date of Decision*	Report Title	Sign off Sheet
127	6 May 2016	Tower Hamlets Homes Board Governance	Appendix 1
129	6 June 2016	Mental Health Recovery and Wellbeing Services Contract Award Recommendations	Appendix 2 (note – the whole report is attached)

* The date of the decision refers to the date of publication on the Council's website.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

4.1 This is a noting report. The comments of the Chief Financial Officer in relation to each individual decision have been incorporated into each respective report.

5. LEGAL COMMENTS

5.1 This is a noting report. Legal comments in relation to each individual decision have been incorporated into each respective report.

5.2 The decision making processes set out in the Constitution and outlined above are in accordance with the legislation governing local authority decision making including the Local Government Act 2000 (as amended) and The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

6. ONE TOWER HAMLETS CONSIDERATIONS

6.1 None directly related to this report.

7. BEST VALUE (BV) IMPLICATIONS

7.1. None directly related to this report.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

8.1 None directly related to this report.

9. RISK MANAGEMENT IMPLICATIONS

9.1 None directly related to this report.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

10.1 None directly related to this report.

11. SAFEGUARDING IMPLICATIONS

11.1 None directly related to this report.

Linked Reports, Appendices and Background Documents

Linked Report

- None

Appendices


- Appendix 1 – List of Individual Mayoral Decisions

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

- None

Officer contact details for documents:

- Matthew Mannion, Committee Services Manager, 020 7364 4651

Individual Mayoral Decision Proforma Decision Log No: <u>127</u>	 TOWER HAMLETS
Report of: Aman Dalvi (Corporate Director Development & Renewal)	Classification: Unrestricted
Tower Hamlets Homes Board Governance	

Is this a Key Decision?	No
Decision Notice Publication Date:	N/A (Not a Key Decision)
General Exception or Urgency Notice published?	Not required
Restrictions:	Unrestricted
Reason for seeking an Individual Mayoral Decision:	Currently not all THH's Board appointments are filled in line with the organisation's Articles of Association.

1 EXECUTIVE SUMMARY

- 1.1 Following an Executive Decision in December 2011, the Mayor has responsibility for appointing to the Tower Hamlets Homes (THH) Board.
- 1.2 The Mayor in an executive mayoral decision log 122, agreed to increase the size of THH's Board from **ten** to **twelve** board members. The Mayor also agreed that the revised THH's Board membership comprise **four** members from each of the constituent groups – residents, independent board members and Council nominees. The added THH board capacity has created a vacancy for an independent board member.
- 1.3 This report asks the Mayor to appoint an independent board member to THH's Board.

2. RECOMMENDATIONS

- 2.1 The Mayor is recommended to appoint:
 - i. **Safia Jama** as Independent Board member.

- 2.2 Full details of the decision sought, including setting out the reasons for the recommendations and/or all the options put forward; other options considered; background information; the comments of the Chief Finance Officer; the concurrent report of the Head of Legal Services; implications for One Tower Hamlets; Risk Assessment; Background Documents; and other relevant matters are set out in **appendix A**.

APPROVALS

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

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

Signed  Date 27/4/2016

2. Chief Finance Officer or his/her deputy

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

Signed  Date 28/4/2016

3. Monitoring Officer or his/her deputy

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

(For Key Decision only – delete as applicable)

I confirm that this decision:-


(a) has been published in advance on the Council's Forward Plan OR
(b) is urgent and subject to the 'General Exception' or 'Special Urgency' provision at paragraph 18 or 19 respectively of the Access to Information Procedure Rules.

Signed  Date 28/04/16

4. Mayor

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

Signed  Date 4/5/16

Individual Mayoral Decision Proforma	 TOWER HAMLETS
Report of: Aman Dalvi (Corporate Director Development & Renewal)	Classification: [Unrestricted]
Tower Hamlets Homes Board Governance	

Lead Member	Mayor John Biggs
Originating Officer(s)	Jackie Odunoye – Service Head Strategy, Regeneration, Sustainability & Housing Options (D/R)
Author/s	John Kiwanuka - Housing Partnerships Manager Strategic Housing (D/R) Ext:2616 John Coker – Acting Divisional Manager Regeneration & ALMO Client Management (D/R) Ext: 3782
Wards affected	All
Community Plan Theme	Great Place to Live
Key Decision?	No

1. EXECUTIVE SUMMARY

- 1.1 Following an Executive Decision in December 2011, the Mayor has responsibility for appointing to the Tower Hamlets Homes (THH) Board.
- 1.2 The Mayor in an executive mayoral decision log 122, agreed to increase the size of THH's Board from **ten** to **twelve** board members. The Mayor also agreed that the revised THH's Board comprise of **four** members from each of the constituent groups – residents, independent board members and Council nominees. The added THH board capacity has created a vacancy for an independent board member.
- 1.3 This report asks the Mayor to appoint an independent board member to THH's Board.

2. RECOMMENDATIONS

- 2.1 The Mayor is recommended to appoint:
- i. **Safia Jama** as Independent Board member.

- 2.2 To fill the remaining Independent Board Member vacancy, the Board selection panel (comprising the Independent Chair of the Board, the Leaseholder Chair of the Finance & Audit Committee, and the Chief Executive) has revisited the results of the recruitment campaign which recently appointed Andrew Bond and Caroline Compton Jones. The selection panel is unanimous in agreement that of all the available candidates, Safia Jama would add the most value to the Board as an Independent Board Member and is the best skill and competency match.
- 2.3 Safia Jama had been active as a Board Member designate and Resident Board Member for over 18 months however she ceased to be eligible to stand as a Resident Member after completing a successful management transfer to Poplar Harca.
- 2.4 Prior to her change of tenancy, Safia had been active as a Board Member designate and Resident Board Member for over 18 months. During this time, she demonstrated clear commitment to the Board and contributed vital skills and knowledge that would otherwise be absent. Specifically, she brought skills and knowledge around vulnerability, financial inclusion, welfare reform and resident engagement to Board discussions. Additionally, Safia is a member of the Somali community and lives in the borough. Somalian residents represent the second largest BME community among THH residents but are currently severely under-represented among residents who engage with THH and LBTH.

3. REASONS FOR THE DECISIONS

- 3.1 Currently not all THH's Board appointments are filled which is a requirement of the organisations Articles of Association as approved by the Mayor on 10 September 2015.

4. ALTERNATIVE OPTIONS

- 4.1 The Mayor could decide not to make any appointments to the Board; however it is prudent to strengthen a key partner

5. DETAILS OF REPORT

- 5.1 THH's Board has had significant vacancies and this report aims to complete THH's recruitment to all the vacancies in fulfilment of the Articles of Association.
- 5.2 The Articles generally state that the Executive of the Council will determine a procedure under which Tenant and Independent positions may be appointed. The procedure, reflecting custom and practice, is as **appendix1**.

6. COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 This report seeks to appoint one member to fill a vacant position on the Tower Hamlets Homes Board.

- 6.2 There are no direct financial implications arising from the recommendations in this report, however it should be noted that the THH board undertakes an essential role in relation to the management of the Council's housing stock, including ensuring that the business operates effectively. It also provides a probity role. THH receives a management fee (£33.376 million in 2016-17) to fund the delivery of the services that it provides on behalf of the council and also manages various significant revenue and capital budgets on the Council's behalf, including the delivery of the Decent Homes programme. Having a full and competent Board is critical to ensuring good governance and probity.

7. LEGAL COMMENTS

- 7.1 Tower Hamlets Homes Ltd (THH) is a company limited by guarantee, established by the Council to exercise some of its housing management functions. The functions exercised by THH are identified in a management agreement made pursuant to section 27 of the Housing Act 1985 and approved by the Secretary of State.
- 7.2 The number of Board Members and the arrangements for the appointment of Board Members are specified in THH's Articles of Association. Article 15 provides for a Board comprising 12 Members of which four shall be Independent Board Members.
- 7.3 The Articles provide that Independent Members shall be appointed pursuant to a procedure determined by the Council and Appendix 1 to this report recommends such a procedure.
- 7.4 When considering appointments or the approach to be taken to appointments, 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). It is important to be satisfied that any process followed is supportive of equal opportunity.
- 7.5 Strict adherence to the recruitment procedure and Articles 13-18 of the Articles of Association should deliver equality of opportunity and help to minimise any risk of challenge to the appointment of Board Members.
- 7.6 Pursuant to section 9D(2) of the Local Government Act 2000, any function of the Council which is not specified in regulations is to be the responsibility of the Council's executive under executive arrangements. The relevant regulations which specify non-executive functions are the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 ("the Functions Regulations").
- 7.7 The housing management functions which the Council has delegated to THH are not specified in the Functions Regulations and consequently are executive functions by virtue of the default provision in section 9D(2) of the Local Government Act 2000.

- 7.8 The Functions Regulations specify a category of functions which may be (but need not be) the responsibility of a local authority's executive. These are sometimes referred to as local choice functions. Included in the category of local choice functions is the appointment of any individual to anybody, other than the Council or a joint committee, and the revocation of any such appointment. The Council's Constitution (part 3.2.2) specifies that responsibility for such appointments lies with the Mayor if the appointment is made in relation to or in support of an executive function. As THH is concerned with exercising housing management functions which are executive functions, appointments to THH's board are considered to be made in relation to or in support of executive functions and thus within the responsibility of the Mayor.

8. ONE TOWER HAMLETS CONSIDERATIONS

- 8.1 Appointing representatives to outside bodies increases the Council's engagement with local communities and improves its potential to offer guidance and leadership in relation to activities taking place in the borough.

9. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 9.1 There are no specific implications arising from this report

10. RISK MANAGEMENT IMPLICATIONS

- 10.1 Where appropriate it is important that any training needs and / or support needs of new Board members are identified quickly and adequate measures put in place, to ensure Board members can fulfil their obligations.

11. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 11.1 There are no specific implications arising from this report

12. EFFICIENCY STATEMENT

- 12.1 There are no specific implications arising from this report

Linked Reports Appendices And Background Papers

LINKED REPORTS

- None

APPENDICES

- Tower Hamlet Homes Resident and Independent Board Member Recruitment Procedure
- Board Recruitment – Recommendation of Safia Jama

BACKGROUND PAPERS

- None

OFFICER CONTACT DETAILS FOR DOCUMENTS


- N/A

Appendix 1:

Resident and Independent Board Member Recruitment Procedure

July 2014

- Upon being notified of a vacancy, Tower Hamlets Homes will agree a recruitment timetable with the Board Chair;
- An advertisement will be placed in the relevant media: these are likely to include local and BME media for resident vacancies, and the trade press for independent vacancies;
- A panel consisting of no fewer than two Board members and one member of the Tower Hamlets Homes Residents Panel will be convened. On occasion, the Board may co-opt THH or LBTH officers to the panel in an advisory capacity.
- They will agree a shortlist of candidates to meet, and an appropriate selection method to test candidates (e.g. interview questions, presentation);
- The panel will interview the short-listed candidates, and agree a recommendation candidate for the Board vacancy;
- The panel will pass this recommendation to the Mayor for his endorsement, which will be received within four weeks;
- On receipt of the Mayor's endorsement, the Chair will notify the successful candidate on behalf of the Board.

Individual Mayoral Decision Proforma Decision Log No: <u>129</u>	 TOWER HAMLETS
Report of: Denise Radley Director of Adult Services	Classification: Unrestricted
Mental Health Recovery & Wellbeing Services Contract Award Recommendations	

Is this a Key Decision?	No
Decision Notice Publication Date:	23 rd May 2016
General Exception or Urgency Notice published?	Not required
Restrictions:	NA
Reason for seeking an Individual Mayoral Decision:	<p>The Recovery & Wellbeing Services procurement and subsequent award of contracts represents a long standing commitment to modernise and transform day services for people with mental health issues. The aim is to deliver a more effective and efficient service model to meet local needs by developing a fully coordinated recovery orientated system of local voluntary sector provision. This is a key priority of the Tower Hamlets Health and Wellbeing Board Mental Health Strategy Delivery Plan (2014-19).</p> <p>The aim of the procurement for lot 1 is to bring together seventeen services or contracts currently provided by the voluntary sector, within one contract, with a lead provider and sub-contracted organisations working in partnership around the core principles of recovery; so enabling better service user outcomes. The proposed model is known as <i>Mental Health Recovery & Wellbeing Service</i>.</p> <p>In addition, lot 2 is the procurement of a Recovery College to operate within the recovery and wellbeing model. The <i>Recovery College</i> will provide an educational based approach to recovery from mental health problems and other long term conditions and is based on lessons learned from previous pilots.</p> <p>All current contracts for this procurement expire on 30th June 2016. An Individual Mayoral Decision will enable new contracts to be in place prior to expiry of current contracts which will minimise the need for any further extensions.</p>

EXECUTIVE SUMMARY

This outlines the Mental Health Recovery & Wellbeing Services procurement and resulting contract award recommendations. The procurement of services within two lots has taken place through an open process which commenced on 2nd Feb 2016 via an advert on the London Tenders portal, with final presentations and evaluation taking place during the w/c 25th April 2016. A decision is now required to enable contract awards to take place.

The Recovery & Wellbeing Services procurement and subsequent award of contracts represents a long standing commitment to modernise and transform day services for people with mental health issues. The aim is to deliver a more effective and efficient service model to meet local needs by developing a fully coordinated recovery orientated system of local voluntary sector provision. This is a key priority of the **Tower Hamlets Health and Wellbeing Board Mental Health Strategy Delivery Plan (2014-19)**.

The recovery & wellbeing model will provide a coordinated Borough-wide support service (or a group of seamlessly linked services) with recovery principles objectives embedded in all aspects of the delivery model. This will include Information, welfare advice, short and long term support, and employment support. The Recovery College will provide an educational approach to recovery for people with longer term mental health challenges.

The proposed model explicitly aims to provide greater opportunity and better outcomes to people from all Tower Hamlets BME communities including the Bangladeshi community. The recommended winning proposal outlines an approach to meeting the needs of all Tower Hamlets communities by having culturally appropriate support running throughout the Recovery and Wellbeing Services. The recommended provider consortium includes local organisations with successful track records of meeting local needs.

DECISION

The Mayor is asked to approve the two contract award recommendations made as a result of this procurement exercise:

1. The Lot 1 contract for the Mental Health Recovery & Wellbeing Service is recommended for award to the Inspire Consortium led by Heritage Care/Community Options at an annual contract value of £1.2mil.
2. The Lot 2 contract for the Recovery College is recommended for award to the East London NHS Foundation Trust at an annual contract value of £226,910

APPROVALS

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

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

Signed Deise C. Reddy Date 2/6/16

2. Chief Finance Officer or his/her deputy

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

Signed Shirley White Date 2/6/16

3. Monitoring Officer or his/her deputy

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

(For Key Decision only – delete as applicable)

I confirm that this decision:-


(a) has been published in advance on the Council's Forward Plan OR
(b) is urgent and subject to the 'General Exception' or 'Special Urgency' provision at paragraph 18 or 19 respectively of the Access to Information Procedure Rules.

Signed Graham Date 03/06/16

4. Mayor

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

Signed [Signature] Date 5/6/16

Individual Mayoral Decision 18 th May 2016	 TOWER HAMLETS
Report of: Denise Radley Director of Adult Services	Classification: Unrestricted
Mental Health Recovery & Wellbeing Services Contract Award Recommendations	

Lead Member	Councillor Whitelock-Gibbs, Cabinet Member for Adult Social Care
Originating Officer(s)	Carrie Kilpatrick, Deputy Director Mental Health Joint Commissioning
Wards affected	All Wards
Key Decision?	No
Community Plan Theme	A Healthy Community A Safe and Supportive Community

Executive Summary

This outlines the Mental Health Recovery & Wellbeing Services procurement and resulting contract award recommendations. The procurement of services within two lots has taken place through an open process which commenced on 2nd Feb 2016 via an advert on the London Tenders portal, with final presentations and evaluation taking place during the w/c 25th April 2016. A decision is now required to enable contract awards to take place.

The Recovery & Wellbeing Services procurement and subsequent award of contracts represents a long standing commitment to modernise and transform day services for people with mental health issues. The aim is to deliver a more effective and efficient service model to meet local needs by developing a fully coordinated recovery orientated system of local voluntary sector provision. This is a key priority of the **Tower Hamlets Health and Wellbeing Board Mental Health Strategy Delivery Plan (2014-19)**.

The recovery & wellbeing model will provide a coordinated Borough-wide support service (or a group of seamlessly linked services) with recovery principles objectives embedded in all aspects of the delivery model. This will include Information, welfare advice, short and long term support, and employment support. The Recovery College will provide an educational approach to recovery for people with longer term mental health challenges.

The proposed model explicitly aims to provide greater opportunity and better outcomes to people from all Tower Hamlets BME communities including the

Bangladeshi community. The recommended winning proposal outlines an approach to meeting the needs of all Tower Hamlets communities by having culturally appropriate support running throughout the Recovery and Wellbeing Services. The recommended provider consortium includes local organisations with successful track records of meeting local needs.

Recommendations:

The Mayor is asked to approve the two contract award recommendations made as a result of this procurement exercise:

1. The Lot 1 contract for the Mental Health Recovery & Wellbeing Service is recommended for award to the Inspire Consortium led by Heritage Care/Community Options at an annual contract value of £1.2mil.
2. The Lot 2 contract for the Recovery College is recommended for award to the East London NHS Foundation Trust at an annual contract value of £226,910

1. REASONS FOR THE DECISIONS

- 1.1 The procurement process for the two contracts within the Wellbeing and Recovery procurement has now concluded with contract award recommendations approved by the Corporate Strategic Competition Board on 9th May 2016.
- 1.2 The Recovery & Wellbeing Services procurement and subsequent award of contracts represents a long standing commitment to modernise and transform day services for people with mental health issues. The aim is to deliver a more effective and efficient service model to meet local needs by developing a fully coordinated recovery orientated system of local voluntary sector provision. This is a key priority of the **Tower Hamlets Health and Wellbeing Board Mental Health Strategy Delivery Plan (2014-19)**.
- 1.3 The aim of the procurement for lot 1 is to bring together seventeen services or contracts currently provided by the voluntary sector, within one contract, with a lead provider and sub-contracted organisations working in partnership around the core principles of recovery; so enabling better service user outcomes. The proposed model is known as *Mental Health Recovery & Wellbeing Service*. Previous contracts in this lot are due to expire at the end of June 2016.
- 1.4 In addition, lot 2 is the procurement of a Recovery College to operate within the recovery and wellbeing model. The *Recovery College* will provide an educational based approach to recovery from mental health problems and other long term conditions and is based on lessons learned from previous pilots.

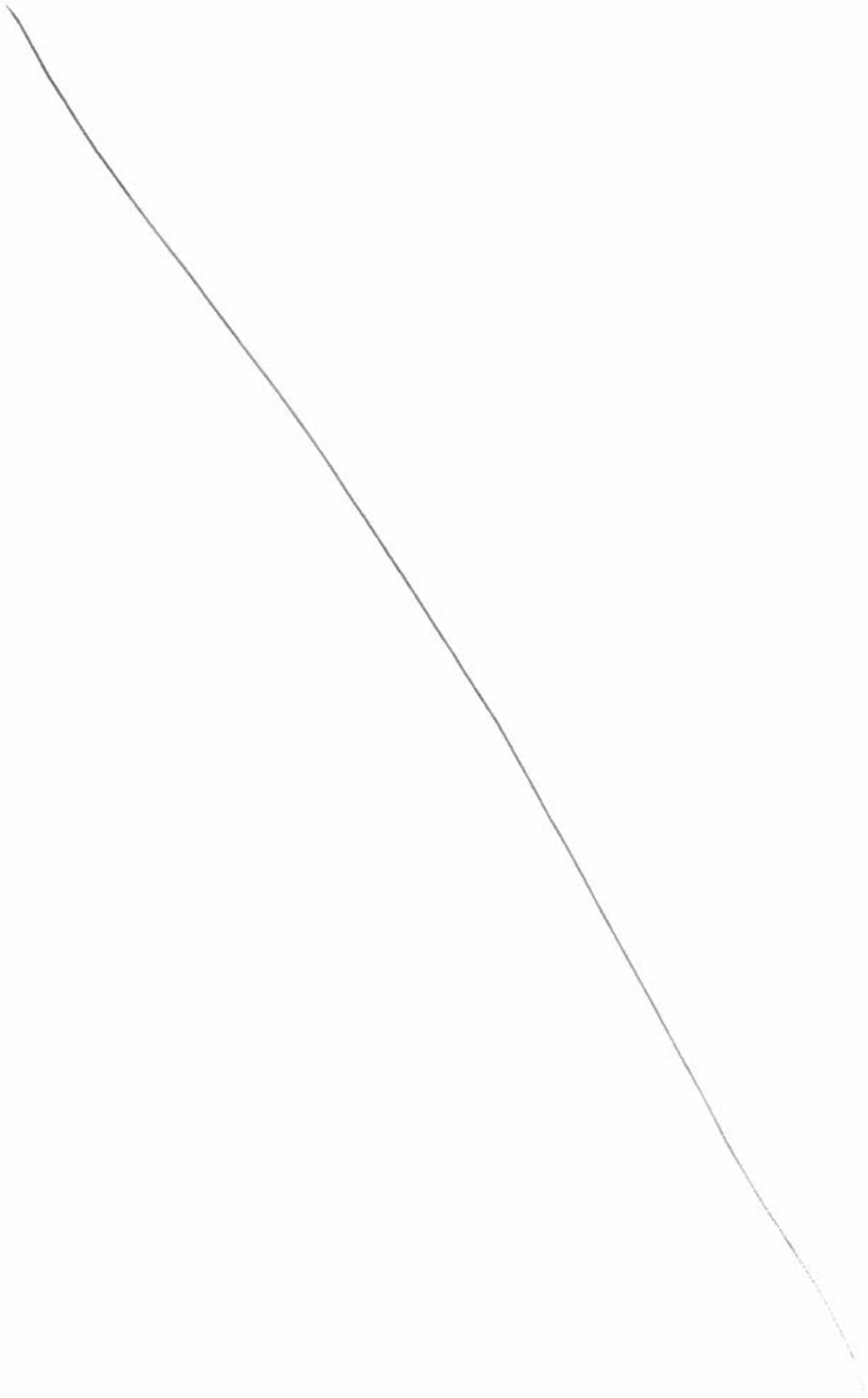
2. ALTERNATIVE OPTIONS

- 2.1 **Do Nothing** - this option is not viable, as current contracts have been issued for a temporary period pending the outcome of the procurement. All current contracts expire on 30th June 2016.

DETAILS OF REPORT

3. Context

- 3.1 The ambition is to build resilience in the population by supporting mental health and wellbeing for all and supporting people to live well with a mental health problem. This procurement represents a significant transformation in the way support services in the third sector are commissioned and delivered. Developing recovery and wellbeing services for people with mental health problems is a fundamental commitment of the Mental Health Strategy in order to:



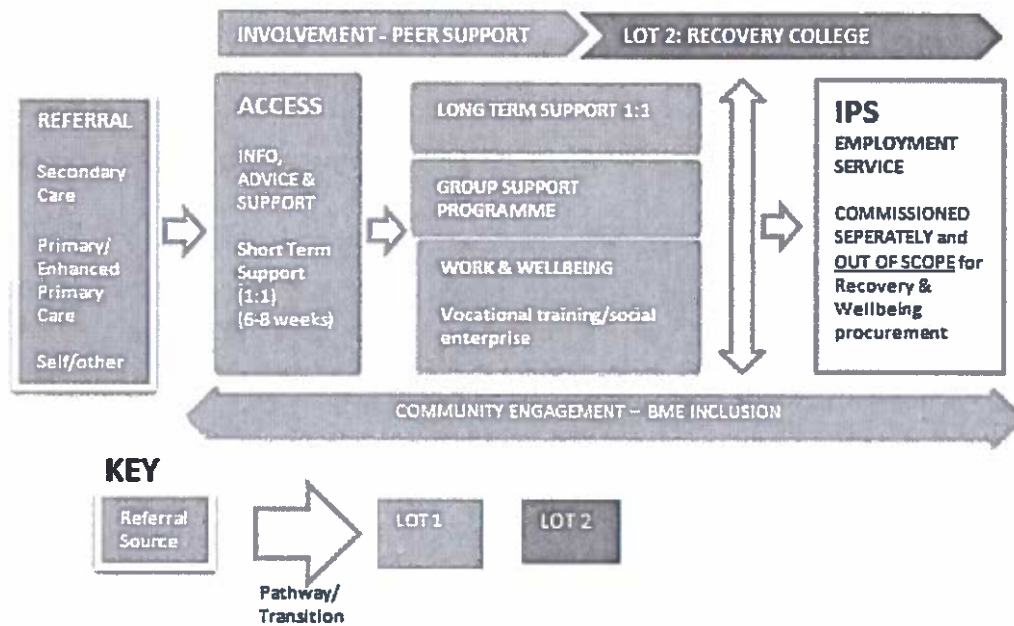
- Reduce stigma and discrimination through moving away from traditional segregated services and stigma associated with statutory day care in line with the Time to Change pledge.
- Support people to take control of their lives and access community services and support with services working together to promote recovery and wellbeing.
- Ensure people are able to access information and support easily, and promoting positive perceptions of mental health across the Borough.
- Support the achievements, dynamism and the closeness to communities of the local voluntary sector.
- Promote service user involvement in developing and improving services.

3.2 The Council and the CCG currently has 17 contracts within the mental health day opportunities service area which have operated without change for several years. 13 contracts are held by LBTH and the remaining 4 held by THCCG. The services are currently provided by 11 local voluntary sector organisations and focus on:

- Employment support;
- Benefits and money advice;
- Group activities and one to one recovery focused support;
- Volunteer and peer support; and
- Out of hours support.

3.3 In August 2015 Cabinet authorised commencement of a procurement process to secure provision of these **Mental Health Recovery & Wellbeing Services** in 2 distinct contractual lots. The same Cabinet decision extended contracts until 30 June 2016 to facilitate the procurement process; with the expectation that new contracts would be in place to enable the new services to start from early July 2016.

3.4 The Recovery & Wellbeing Service model (outlined below) will provide coordinated Borough-wide support service (or a group of seamlessly linked services) with recovery principles objectives embedded in all aspects of the delivery model. This will include Information, welfare advice, short and long term support, employment support. The Recovery College will provide an educational approach to recovery for people with longer term mental health challenges.



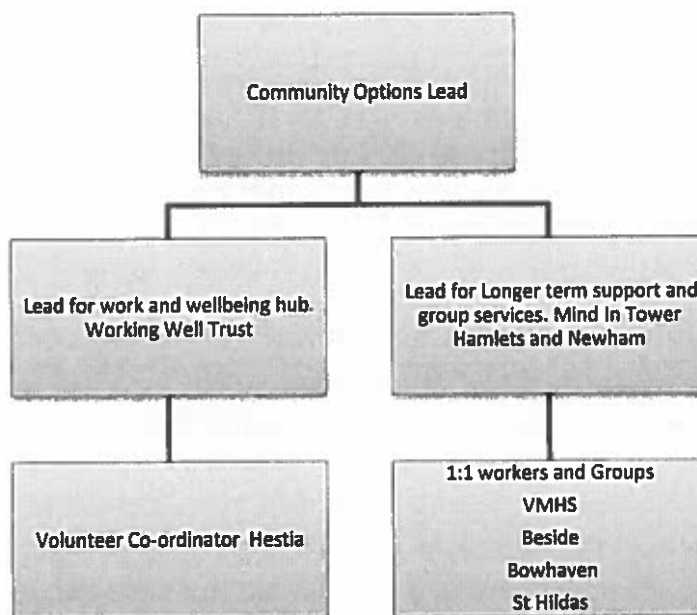
4. Contract Award Recommendations

- 4.1 The procurement of services within two contractual lots has been concluded through an open process which commenced on 2nd Feb 2016 via an advert on the London Tenders portal with final presentations and evaluation taking place during the w/c 25th April 2016.
- 4.2 The Mental Health Joint Commissioning Team has managed the commissioning process on behalf of the London Borough of Tower Hamlets (the 'Council') and NHS Tower Hamlets Clinical Commissioning Group (the 'CCG'). The two lots were advertised with the indicated financial envelope made available via the pooled Council and CCG current day services budget.
- 4.3 The evaluation was split between 70% Quality and 30% Price. The Quality questions were designed to give bidders and evaluators the opportunity to ensure sufficient detail could be provided to ensure robust proposals. The questions ensured that all aspects of risk, safety and mobilisation could be fully tested and evaluated within the context of mobilising a new service delivery model in line with the specification.
- 4.4 The process has now been completed with approval of contract award recommendation provided via Strategic Competition Board on 9 May 2016. The recommendations for contract award are as follows:

Lot Number	Service	Provider	Contract Value
Lot 1	Recovery & Wellbeing Service	Community Options/Inspire Consortium	£1.2mil
Lot 2	Recovery College	East London NHS Foundation Trust	£227k

4.5 Recovery & Wellbeing Service: Community Options/Inspire Consortium

The Inspire consortium partners have over 30 years collective experience serving the local BME community in Tower Hamlets providing linguistic and culturally sensitive services. Community Options as the lead provider will sub – contract with the two service leads who will then subcontract with the other partners within the consortium.



The Service User involvement and peer support elements of the contract will be based, in partnership with East London Foundation Trust, within the Recovery College. The First Point of Contact and Access service will be based within Open House with the aim that the building becomes a Community Mental Health hub. The service Co-ordinator and their team will also be based within Open House as will the overall management of the Long Term Support Team and the groups. This will enable close integrated communication. The groups will be provided across all partner sites as well as community venues. Please see map (Appendix 1).

In recognition of it's the importance, a variety of mental health known primary and secondary care and community venues will also be utilised to work with Service Users both 1:1 and within groups.

The majority of the services being tendered are currently delivered by organisations that are part of the Inspire Consortium, and therefore any staff eligible for TUPE will be minimised. The exception to this will be those Organisations currently providing services that are not part of the Consortium.

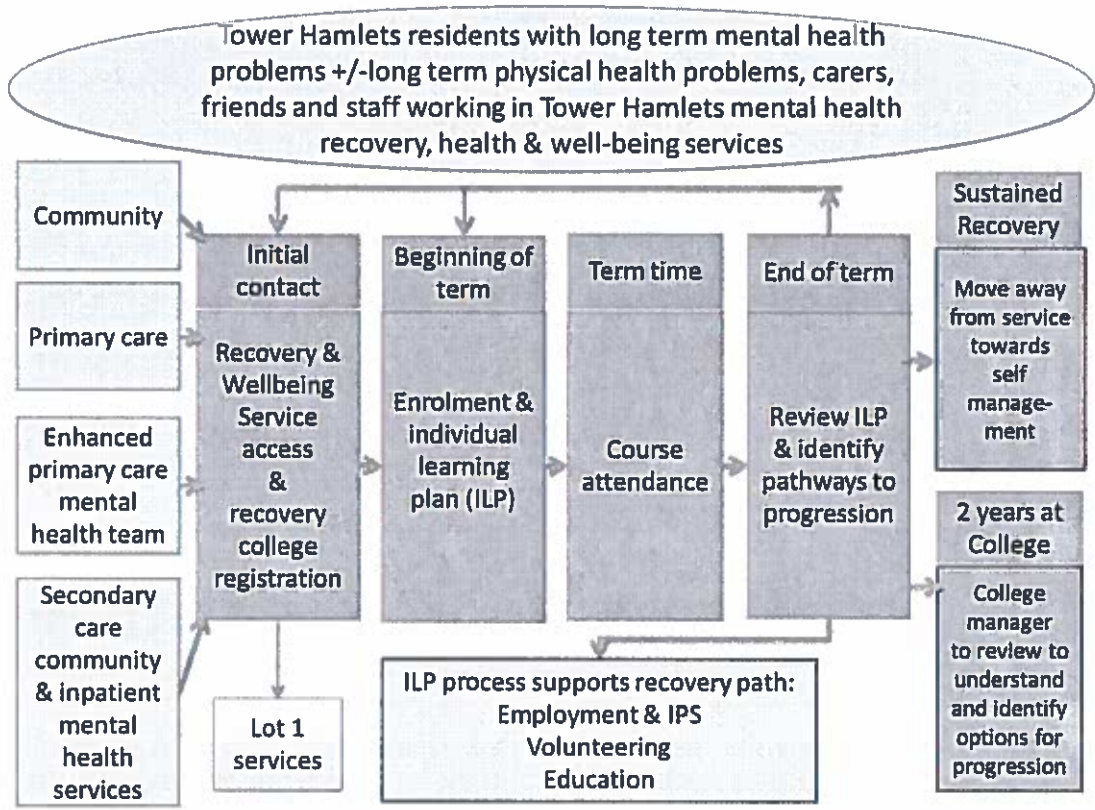
4.6 Recovery College East London NHS Foundation Trust

The Recovery College will be open to residents of Tower Hamlets affected by long- term mental health problems who may also have long term physical health problems, including carers, friends, loved ones and staff working in mental health recovery, health and well-being services in Tower Hamlets.

The winning proposal will operate a single point of access with the Lot 1 Recovery & Wellbeing Service using an integrated customer relations management system to ensure a seamless pathway, sharing resources and expertise under a formal contractual agreement.

The service will have an emphasis on progression and will have close links with the Lot 1 Recovery and Wellbeing Service, ELFT and other community partners so that, as part of their Individual Learning Planning sessions, people have the opportunity to consider opportunities for volunteering, peer involvement, employment and education as part of their onward recovery journey and increased networks and improved social inclusion.

The diagram below shows the pathway for students who choose to become volunteers, with potential progression towards formal qualifications and paid employment as longer-term goals supporting a sustained recovery and enhanced employability.



To improve the accessibility and visibility of the college the service will be delivered from a range of community venues, some mainstream and others more traditionally associated with mental health and wellbeing services, in order to support broad engagement from a range of stakeholders across the borough.

Potential venues have been assessed for their suitability and convenience and include:

- Idea Store – across the borough
- Osmani Centre - Whitechapel
- Bromley by Bow Centre – Bromley by Bow
- John Scurr Community Centre - Limehouse
- The Space – Isle of Dogs
- MIND Open House - Poplar
- Pritchards Road Day Centre – Bethnal Green
- Tower Hamlet Centre for Mental Health to engage inpatients
- Bowhaven – Bow

4.7 The decision made by Cabinet (Dec 2014) to maintain existing funding means there are no plans for service reduction and a more effective and efficient delivery model will provide increased coverage and range of support available. The focus of the commissioning activity is to develop new services in addition to enhancing and increasing capacity in current provision where this is the most effective route to improved outcomes for service users. Winning bids are within financial envelope for the contracts with Lot 2 price under budget representing cashable savings of £9,000 over the duration of the contract.

4.8 It should be noted that the winning bidders for both lots are also the incumbent local providers in place which mitigates certain risks associated with mobilisation, TUPE, transition to new venues, and community anxieties around change. Both bids were high quality and have involved service users throughout the process.

5. COMMENTS OF THE CHIEF FINANCE OFFICER

5.1 The total spend for the contracts to be awarded is £1,427,000 which is within the 2016/17 available budget. A saving of £3k per annum has been achieved as the total financial envelope for the Recovery College is £230,000 per annum. The recovery and wellbeing service budget is inclusive of CCG and BCF monies of £569,565 and the Council's contribution is £904,375. This recovery and wellbeing service contract award will provide a saving of £44,000 per annum.

5.2 The contracts will bring together current services within two contracts with a lead provider and sub-contracted organisations working in partnership for the

Recovery and Wellbeing Service. One of the key financial aims of this procurement exercise should be to maximise the opportunity to secure better value for money.

6. LEGAL COMMENTS

- 6.1 The report recommends the award of contracts which aim to bring a number of mental health related services within the umbrella as a result of a single procurement exercise (via two lots) which has been titled as the Mental Health Recovery & Wellbeing Service (the Services). The Council has various duties to meet the needs of people experiencing mental health issues principally under the Mental Health Act 1983, the National Health Service Act 2006, the Health and Social Care Act 2012 and the Care Act 2014.
- 6.2 The estimated value of the Services exceeded the relevant threshold contained in the Public Contracts Regulations 2015 (the Regulations) and they fall within the remit of "social and other specific services" in accordance with regulations 74 and Schedule 3 of the Regulations. In view of this the Council was required to comply with the Regulations and subject the services to the appropriate level of competition to ensure compliance with the principles of transparency and equal treatment. The Council was required to place an advert in the Official Journal of the European Union (OJEU) and will be required to place a further notice in the OJEU when a contract is awarded.
- 6.3 In addition to its obligations under the Public Contracts Regulations, 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.
- 6.4 It would appear therefore, that in performing the tender that the Council has complied with its obligations under the Regulations and its Best Value Duty. The Council has also followed its own internal procedures and appears to have applied the Pre-advertised evaluation criteria in reaching the decision as to the identities of the potential awardees. Therefore, in the absence of any manifest error it would appear to be appropriate to award the contracts in accordance with this report.
- 6.5 It is notable however, that the Council is not bound to award any contract (subject to the options appraisal stated in the body of the report). In the event though that the Council decides to make no decision, such a determination is a decision for the purposes of Administrative Law and would therefore in itself be subject to scrutiny just like any other positive decision of the Council.
- 6.6 Prior to completion of the award the Council should also have renewed regard for the effect of any implementation of any decision upon people with a protected characteristic in accordance with the Equality Act 2010 and take appropriate action to fully understand the impact of any such decision on such people.

7. ONE TOWER HAMLETS CONSIDERATIONS

- 7.1 There is a strong equalities strand to this proposal; with future services commissioned to ensure the needs of both BME and marginalised groups are adequately addressed. The overall aims of the new model are to both improve services for existing service users and reach a wider group of people who need support with their mental health.
- 7.2 One of the service elements within the new delivery model is targeted towards marginalised and harder to reach groups including BME groups. There are currently culturally specific services aimed at Bangladeshi, Somali, African Caribbean, Vietnamese and Chinese adults with mental health problems at risk of exclusion. The winning bid outlines an approach to meeting the needs of all Tower Hamlets communities by having culturally appropriate support running throughout the service model. The recommended provider consortium includes local organisations with successful track records of meeting local needs.
- 7.3 The proposed model explicitly aims to provide greater opportunity and better outcomes to people from all Tower Hamlets communities including BME groups. The current proposals aim to ensure all BME groups currently supported have improved access to a range of support activities.
- 7.4 During the Your Borough, Your Voice consultation in Sept. 2014 an Equality Impact Assessment was carried out to determine specific impact of a service change relating to employment services for Bangladeshi Men and Women. The conclusion was that in the event of any change to existing services there would be adequate provision in Tower Hamlets to support the needs of current service users.
- 7.5 The current arrangements include several 'stand-alone' BME projects which currently cater for small numbers. The proposed model will provide on-going support for service users while further increasing service capacity and opportunity for BME groups.
- 7.6 Both successful bidders have committed within their proposals to link with the employment services in the borough to promote local employment, particularly for people often furthest from the local labour market such as people with mental health. Services are committed to offering the maximum opportunities for employing local people who helps the local economy.

8. BEST VALUE (BV) IMPLICATIONS

- 8.1 It is anticipated the proposed services will deliver best value and an efficient model by offering a coordinated access route enabling improved outcomes

monitoring. This will be supported by clear pathways for reducing isolation, accessing mainstream opportunities, access to training, education and employment. Other benefits are:

- Better and reduced contract monitoring through a reduction of contracts. This will ultimately lead to a better use of commissioning resource through streamlined contracts.
- More responsive and flexible service delivery model through outcome based contracts and better use of commissioning resource through streamlined contracts.
- More consistent service delivery across the Borough.

9. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 9.1 The design, development and running of any new services will follow best practice and the Council's Environmental Strategy.

10. RISK MANAGEMENT IMPLICATIONS

- 10.1 The key risks identified are at the mobilisation stage as transition takes place to the new model. The risks are significantly mitigated given the successful bids are from the incumbent providers who are well established within the local community. There are no changes required in terms of main venues and the service model has been widely consulted on with service users and other stakeholders.
- 10.2 There are some risks related to the move to a consortium model with lead provider arrangements. This will be mitigated by robust contract management arrangements and dedicated support during transition from the Mental Health Joint Commissioning Team.
- 10.3 A full implementation plan and mobilisation process has been produced. This will form part of the contractual requirements. Further issues are highlighted as follows:
- Mobilisation issues: the limited time between contract award and commencement means that mobilisation will have to be tightly managed by the successful bidder.
 - Budget issues: none
 - Insurance risks: none
 - Business continuity plan in place: yes
 - Risk register – is this included in the corporate risk register within your area? To be added

- Contract management team in place? Yes, managed by Mental Health and Joint Commissioning Team (fully staffed)
- Quality: the recommended providers have submitted high quality bids.

10.4 It is noted that not all of the current voluntary sector providers of service in this area are part of the consortium of winning bidders. Given the providers are small and may be impacted by the reduction in contractual funding we will continue to work closely with them in identifying appropriate contingencies and appropriate liaison with the incoming Providers.

11. CRIME AND DISORDER REDUCTION IMPLICATIONS

11.1 By promoting and supporting recovery focussed activities, delivering quality support services including low and higher level interventions, the proposals seek to enable people to achieve their full potential encouraging participation in meaningful activities and reducing risk of criminal activity and antisocial behaviour.

11.2 This will be underpinned by the collaborative approach to partnership working which is core to the commissioning approach and supported by challenging outcomes targets to encourage people with mental health problems into employment, training and education.

12. SAFEGUARDING IMPLICATIONS

12.1 The tender process involved robust evaluation of providers' safeguarding practices. The required standards have been fully met with adequate reassurance that safety and risk management systems and practice will be fully implemented in the services. This will form part of on-going contract management procedures.

Linked Reports, Appendices and Background Documents

Linked Reports

- Mental Health Recovery & Wellbeing Services – Cabinet Decision Report (28th July 2015)
- Tollgate 2: Contract Award Report (9th May 2016)

Appendices

- NONE

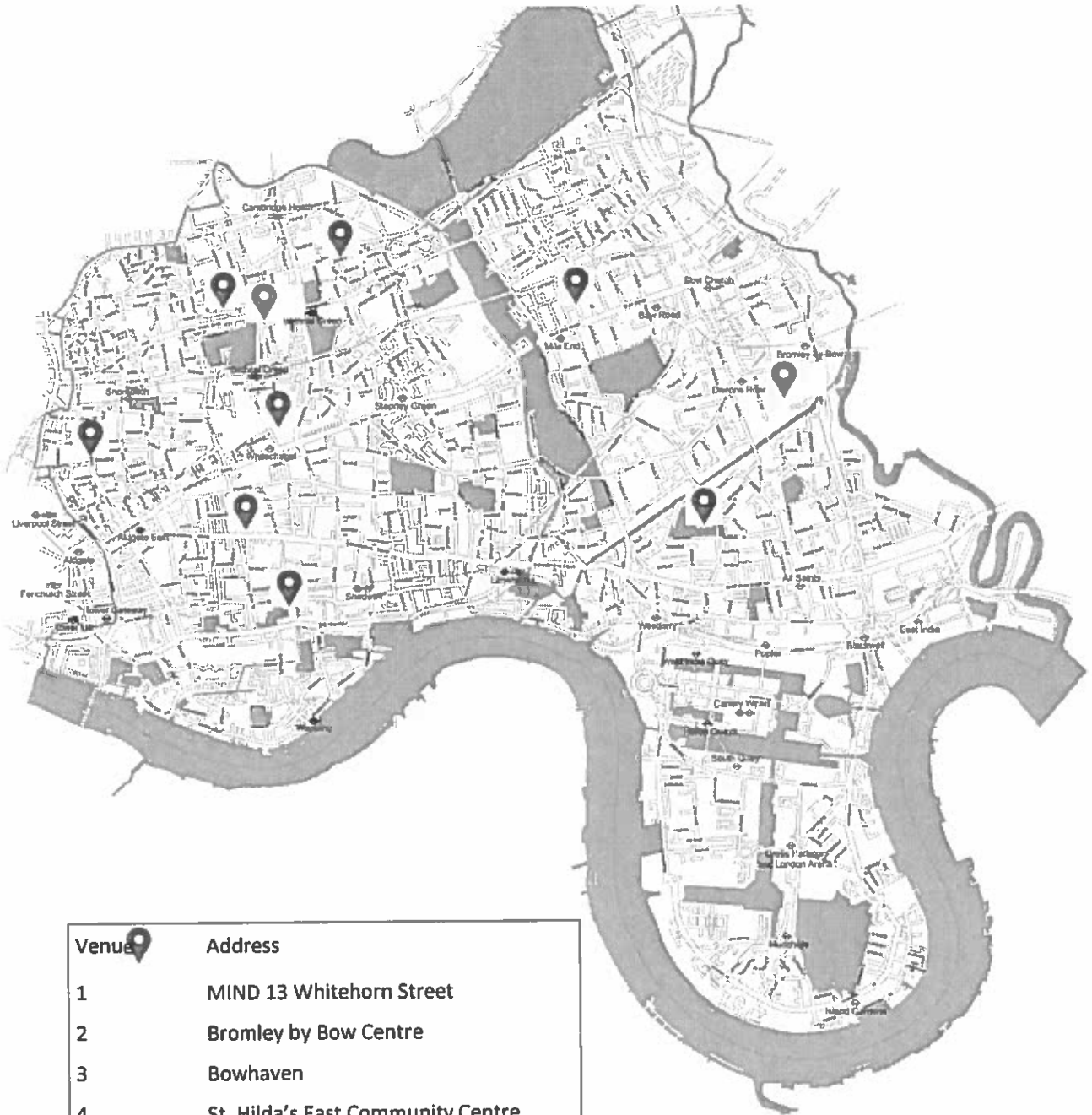
Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012

- NONE

Officer contact details for documents:

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Inspire Consortium Venues Across Tower Hamlets



Venue	Address
1	MIND 13 Whitehorn Street
2	Bromley by Bow Centre
3	Bowhaven
4	St. Hilda's East Community Centre
5	Access Print and Design—Working Well
6	Cavell Street—Working Well Trust
7	Pritchard's Road—Working Well Trust
8	Community Options
9	3 Birkbeck St.—Beside
10	Cranbrook Community Centre—Beside

Recovery College Venues Across Tower Hamlets

