

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE OVERVIEW & SCRUTINY COMMITTEE

HELD AT 6.10 P.M. ON WEDNESDAY, 29 MARCH 2017

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

Members Present:

Councillor John Pierce (Chair)

Councillor Clare Harrisson

Scrutiny Lead for Adult Health and Wellbeing

Councillor Muhammad Ansar Mustaqim

Scrutiny Lead Member for Governance

Councillor Oliur Rahman

Councillor Helal Uddin

Councillor Abdul Asad

Councillor Andrew Wood

Co-opted Members Present:

Dr Phillip Rice

Church of England Representative

Fatiha Kassouri

Parent Governors

Shabbir Chowdhury

Parent Governors

Christine Trumper

Parent Governors

Other Councillors Present:

Councillor David Edgar

Cabinet Member for Resources

Apologies:

Asad M Jaman

Muslim Faith Community

Councillor Abdul Mukit MBE

Scrutiny Lead for Resources

Councillor Amina Ali

Scrutiny Lead for Development and Renewal

Councillor Julia Dockerill

Scrutiny Lead for Children's Services

Officers Present:

Mark Baigent

(Interim Divisional Director, Housing and Regeneration)

Afazul Hoque

(Interim Service Manager, Strategy, Policy & Performance)

Andy Scott

(Head of Economic Development, Place)

Lucy Collins

(Business Friendly Tower Hamlets)

Janet Fasan	Manager)
Jim Glover	(Interim Divisional Director, Legal)
Shalina Hussain	(Revenue Services)
	(Communications Officer,
	Communications, Chief Executive's)
Neville Murton	(Divisional Director, Finance,
	Procurement & Audit)
Sharon Godman	(Divisional Director, Strategy, Policy and
	Partnerships)
Peter Quirk	(Senior Strategy, Policy & Performance
	Officer)
Stuart Young	(Interim Divisional Director, HR &
	Transformation)
David Knight	(Senior Democratic Services Officer)

1. APOLOGIES FOR ABSENCE

Apologies were received from Mr Asad M Jaman (Muslim Faith Community); Councillor Abdul Mukit MBE (Scrutiny Lead for Resources); Councillor Amina Ali (Scrutiny Lead for Development and Renewal) and Councillor Julia Dockerill (Scrutiny Lead for Children's Services)

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTEREST

There were no declarations of disclosable pecuniary interest.

3. UNRESTRICTED MINUTES

The Chair **Moved** and it was:-

RESOLVED

That the unrestricted minutes of the meeting of the Overview and Scrutiny Committee held on 1st March, 2017 was approved as a correct record of the proceedings.

4. REQUESTS TO SUBMIT PETITIONS

Nil items

5. UNRESTRICTED REPORTS 'CALLED IN'

Nil items

6. FORTHCOMING DECISIONS

The Committee received and noted the current position regarding the forthcoming decisions.

7. SCRUTINY SPOTLIGHT

7.1 New Housing Delivery Vehicles

The Committee received a presentation from Mark Baigent, Interim Divisional Director Housing and Regeneration that highlighted the Key drivers and purposes behind the introduction of the New Housing Delivery Vehicles which included:

- Increase housing supply;
- Deliver social and living rents;
- Secure long term supply of temporary accommodation;
- Generate GF savings and income;
- Balance HRA new build and stock investment;
- Make use of RTB receipts;
- Make use of s106 cash-in-lieu;
- Avoid unnecessary complexity; and
- Focus on speed of delivery.

This was followed by questions and comments from Members which is summarised as follows:

The Board noted:

- The quality of housing outside the Borough is poor and the establishment of the Seahorse Homes Limited and Mulberry Housing Society will expand the range of options available to the Council to deliver new supply across tenures, both permanent and temporary homes. These two vehicles were intended to complement the Council's existing housing delivery approaches, within the Housing Revenue Account and the General Fund;
- That Seahorse Homes and Mulberry Housing had been developed in the light of what had been learned within the Borough as part of the Stock Transfer process;
- That the introduction of the New Housing Delivery Vehicles will allow the Council to use borrowing power to obtain land for housing that would be restricted under the established methods to develop social housing;
- That the governance arrangements for housing delivery approach are there to ensure that power and decision making is structured and exercised appropriately;
- That the Scrutiny Function will have the ability to develop and maintain a dialogue. Which will enable there to be an overview of what the New Housing Delivery Vehicles are doing to address the availability of affordable housing in the Borough (e.g. The Housing Scrutiny Sub-Committee could consider the development of these new structures).

8. UNRESTRICTED REPORTS FOR CONSIDERATION

8.1 Business Engagement in the Community

The Committee received a presentation from Andy Scott, Acting Service Head for Economic Development providing an overview of the plans to engage with businesses – Developing ‘Business Friendly’ Tower Hamlets. Including what actions are being taken to address business issues around Rates re-evaluation in other boroughs; How business networks are engaging with shared utility co-operatives or collective bargaining for utilities deals; does this happen; and could it?

This was followed by questions and comments from Members which may be summarised as follows.

The Board noted that:

- Local businesses have had support in the past but they need to have properly structured information and pathways to the information that they need;
- Both Crossrail and Transport for London are involved in the engage of local businesses;
- Small local businesses will be supported to facilitate their diversification into web based businesses and the use of digital media; and
- Local businesses will have access to an energy brokerage to obtain price comparisons from a variety of suppliers and to help them understands the differences between the contract offers.

8.2 Performance Monitoring

The Committee received a report that provided a summary of the Council’s progress against the strategic performance measures in quarter three (September-December 2016).

This was followed by questions and comments from Members which may be summarised as follows.

The Committee:

- Noted that there would be regular opportunities to develop the dialogue on the strategic performance measures;
- Was informed that with regard to sickness and absence plans are being developed to address this issue and there would be opportunities to consider this during the year (**e.g.** Looking at the causes of stress and how this can be reduced);
- Noted regarding the measure of “time to adoption”, the Strategic Measure target, which is measured over a three year rolling average, will not be met. Therefore, the PAST (Permanency & Adoption Support Team) managers are looking to place children with adopters as quickly

as possible from the date of the placement order. The Team are also working with adopters to consider the fostering to adopt option now available;

- Noted that the Adoption Service carries out monthly monitoring of adoptions data to review progress of all children on a care plan for adoption, and hold regular permanency planning meeting for these children;
- Indicated that it would wish to have an overview of the development of corporate parenting and the looked after children's service within Tower Hamlets (**e.g.** consider the levels of intervention required to address the challenges and situations faced by these children and their families);
- Noted that "the number of affordable homes provided as wheelchair accessible or adaptable" is forecast to meet its target by year end. Whilst a further three measures, "the number of businesses supported through council activities", "the number of affordable homes delivered" and "the number of affordable social rented housing completions for family housing" are projected to meet their minimum expectation for the year;
- Was advised that regarding the measure of "lets to overcrowded families", overall lets are expected to be at around 1,600 at year end, and the strategic measure is not expected to meet its target. Cabinet has recently decided to reduce the target set for band 3 applicants (adequately housed) from 10% to 5%. Whilst "Housing Options" are being promoted through advice, open days and at events;
- Was informed that the employment rate in Tower Hamlets is 71.6 percent, and the London average is 73.6 percent, making the gap between Tower Hamlets and the London average 2 percentage points. However, the Borough employment rate it was noted had increased by 2.8 percentage points since this time last year whilst the overall London average has increased by 1.4 percentage points;
- Was advised that the final data shows that 62% of Tower Hamlets children achieved the national curriculum standard at Key Stage 2, this being 9% points above the national average of 53%. This achievement it was noted had been supported by the work to improve educational aspiration and attainment (Strategic Activity 1.3c). The Council's Primary Education and Partnership Team support staff in schools through central training sessions and one to one work with leaders, and the Council has also started work on an action plan to improve white British pupil attainment in schools; and
- Noted the work currently being undertaken to help mothers especially from disadvantaged groups who are keen to get back into employment. So as to address any shortfall in their household income following the changes in benefits (**e.g.** using the available funding streams to health navigate pathways to work and to provide support in a way that is more accessible than before).

8.3 Corporate Budget Monitoring Report Period 9

The Committee received a report that detailed the projected outturn position of the Council at the end of Period 9 (December) 2016-17. The report included details of:-

- General Fund Revenue and Housing Revenue Account;
- General Fund and HRA Capital Programme; and
- Key Balance Sheet information at end of December 2016.

It was noted that the Council's Medium Term Financial Strategy (MTFS) covering the period to 2019-20 had been approved in February 2016. Government and grant funding the Committee was advised was forecasted to continue to fall, reflecting the on-going government austerity measures. The current projections suggesting that the unfunded budget gap will be approximately £58m for the period to the end of 2019-20.

At the end of 2015-16 an underspend was reported and instead of the £7.8m drawdown from reserves the authority was able to make a contribution to both the General Fund and earmarked specific reserves. This still left some overspends in areas such as Children's Social Care. The Council is due to deliver savings of £19.5m in 2016/17 and of this sum £12.6m related to the Children's and Adults Services Directorates.

As a result of consideration of the report the Committee noted the provisional Housing Revenue Account (HRA) outturn is expected to show a £11.6m surplus. This sum has been ring-fenced and it will be added to the existing HRA Reserve of £32.1m as it cannot be used for other purposes. The overall projected HRA underspend of £11.6m it was noted was due to two main variances; the first is that the 2016-17 HRA budget assumes that a levy of £8.4 million would be payable in relation to the Sale of Higher Value Void properties policy contained within the Housing and Planning Act 2016, however the government has recently confirmed that no levy will payable until April 2018 at the earliest. In addition, the HRA budget assumed a Revenue Contribution to Capital (RCCO) of £2m. A decision will be made at the end of the financial year about how best to finance the HRA capital programme, at which point it may be considered better for the HRA to use other resources; therefore the forecast assumes that no RCCO will take place.

8.4 Strategic Plan and Delivery Plan

The Committee received a report that presented the Delivery Plan for the Strategic Plan 2017-18 which detailed how the Council's priorities and outcomes outlined in the Strategic Plan will be delivered over the next year in the context of national, regional and local challenges and opportunities.

This was followed by questions and comments from Members maybe outlined as follows:

The Committee:

- Noted that the Cabinet in February 2017 had agreed the Strategic Plan for 2017-18 which included those key priorities and outcomes that the Council will be focusing on during the year. Whilst the Delivery Plan detailed the range of work that the Council will undertake to achieve those priorities and outcomes;
- Noted the Mayor's vision is for the Council is to become an excellent organisation with the ambition to achieve the best outcomes for local people. Within the context of the priorities identified in the Strategic Plan the Mayor has identified the following 4 areas for particular focus during 2017-18 Cleaner Streets; Safer Communities; Greater Prosperity; and Quality of Life. These 4 priorities are reflected throughout the Delivery Plan and did not detract from the priorities identified in the Strategic Plan. A review of the key deliverables from 2016-17 has also been undertaken and engagement with Cabinet Members and Directors to agree the deliverables. The Delivery Plan also considered strategic programmes such as the Smarter Together to ensure their delivery has been incorporated; and
- Was advised that work is underway across the Council to develop Directorate and Team Plans which will further detail how the priorities and activities will be delivered. This will then link to individual Performance and Development Review ensuring the 'golden thread' runs through from the Strategic Plan to individual work programme.

9. PRE-DECISION SCRUTINY OF UNRESTRICTED CABINET PAPERS

Nil items

10. ANY OTHER UNRESTRICTED BUSINESS WHICH THE CHAIR CONSIDERS TO BE URGENT

Nil items

11. EXCLUSION OF THE PRESS AND PUBLIC

The agenda circulated contained no exempt/ confidential business and there was therefore no requirement to exclude the press and public to allow for its consideration.

12. EXEMPT/ CONFIDENTIAL MINUTES

Nil items

13. EXEMPT/ CONFIDENTIAL REPORTS 'CALLED IN'

Nil items

14. PRE-DECISION SCRUTINY OF EXEMPT/ CONFIDENTIAL) CABINET PAPERS

Nil items

15. ANY OTHER EXEMPT/ CONFIDENTIAL BUSINESS THAT THE CHAIR CONSIDERS URGENT

Nil items

The meeting ended at 9.10 p.m.