

LONDON BOROUGH OF TOWER HAMLETS

RECORD OF THE DECISIONS OF THE CABINET

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

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

Members Present:

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

Other Councillors Present:

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

Officers Present:

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

Will Tuckley
Matthew Mannion

(Chief Executive)
(Committee Services Manager, Democratic
Services, Governance)
(Principal Committee Services Officer)

David Knight

1. APOLOGIES FOR ABSENCE

Apologies for Absence were received on behalf of:

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

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

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS

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

3. UNRESTRICTED MINUTES

DECISION

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

4. OVERVIEW & SCRUTINY COMMITTEE

4.1 Chair's Advice of Key Issues or Questions

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

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

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

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

Nil items.

5. UNRESTRICTED REPORTS FOR CONSIDERATION

5.1 Adult Social Care Procurement Plan

DECISION

1. To note the progress made in to put in place clear commissioning strategies, co-produced with local people and the delivery of extensive procurement of contracts as initiated by the Mayor in Cabinet in January 2016. This was to bring previous non-compliant arrangements in line with financial and procurement rules.
2. To delegate authority to the Corporate Director of Health, Adults and Community following consultation with the Corporate Director Governance and Monitoring Officer the decision to enter into all necessary agreements and undertake any other ancillary matter to give effect to the decisions referred to in Table A of the report.
3. To authorise the decisions required in relation to the contracts and services listed in Table A of the report.

Action by:

CORPORATE DIRECTOR, HEALTH, ADULTS AND COMMUNITY (D. RADLEY)

(Acting Divisional Director, Integrated Commissioning (K. Sugars))

Reasons for the decision

A considerable programme of procurement activity has been undertaken since January 2016 and this report provides an overview of that work and the resulting contracts and benefits.

A small number of decisions by the Mayor in Cabinet are required in order to complete the programme of procurement activity and these are set out within the report. This ensure compliance with financial and procurement rules whilst allowing the remaining work to be completed.

Alternative options

It was essential that the programme of procurement set out within the January 2016 Cabinet paper was progressed given the previous delays in re-procuring services, gaps in contractual arrangements and out of date contracts.

It is essential that this programme is concluded and the services to be procured are maintained in the interim until such time as new contracts are awarded and mobilised. This interim position will ensure continuity of services to the vulnerable residents to whom these services are provided. There is no identified reasonable alternative.

The report seeks the delegation of authority to the Corporate Director Health, Adults and Community to award contracts following the conclusion of the required procurement processes. It is open to the Mayor in Cabinet to

alternatively instruct that all, or specific, contract award recommendations are referred back to Cabinet for decision or be made by Individual Mayoral Decision.

5.2 Clear Up Project Update

DECISION

1. To note the report.

Action by:

CORPORATE DIRECTOR, GOVERNANCE (A. HUSSAIN)

(Senior Corporate & Governance Legal Officer (P. Greeno))

Reasons for the decision

In accordance with the policy of openness and transparency it has been agreed that not only the report of the Clear Up Project but details of subsequent actions by the Council are published and in the public domain.

Alternative options

This is a noting report.

5.3 Determining the School Admission Arrangements for 2019/2020

The Pre-Decision Scrutiny Questions, and officer responses were noted.

DECISION

1. To agree the oversubscription criteria for admission to Community Nursery Schools/Classes in 2019/20, as set out in Appendix 1 to the report.
2. To agree the oversubscription criteria for admission to Community Primary Schools in 2019/20, as set out in Appendix 2 to the report.
3. To agree the oversubscription criteria for admission to Community Secondary Schools in 2019/20 as set out in Appendix 3 to the report.
4. To agree the schemes for co-ordinating admissions to the Reception Year and Year 7 for 2019/20, as set out in Appendix 4 to the report.
5. To agree the scheme for co-ordinating 'In-Year' Admissions for 2019/20, as set out in Appendix 5 to the report.
6. To agree the planned admission number for each school in Tower Hamlets in 2019/20, as set out in Appendix 6 to the report.

Action by:

CORPORATE DIRECTOR, CHILDREN'S SERVICES (D. JONES)

(Divisional Director, Education and Partnership (C. McInnes))

(Head of Pupil Services (T. Bryan))

Reasons for the decision

The Council decides and implements its school admission arrangements through local consultation and collaboration, enabling it to fully understand and meet circumstances in its area. In doing so, the Council seeks to provide a clear framework intended to ensure that arrangements are lawful, reasonable and minimise delay to children accessing education.

The proposed schemes, consultation and recommendations in this report are consistent with the Council's statutory duties as set out in the most recent revision of the School Admissions Code (Dec 2014).

The co-ordination of admissions arrangements together with school catchment areas provide a framework to plan the provision of school places more coherently, taking account of existing and future school locations; travelling distance; pupil migration and changes in neighbouring boroughs.

Alternative options

The Council has a statutory duty to annually determine the arrangements for admission to its community schools and to formulate a complying scheme for co-ordinating admissions at the main points of entry (i.e. reception, Year 3 for junior schools and Year 7 for transfer from primary to secondary school). If Cabinet fails to take such action the Council would be acting contrary to the law.

The recommendations in this report have been prepared with regard to the need for arrangements to be clear, objective and fair. Due consideration has been given to alternative admission arrangements, but any alternative action could lead to inequality and leave the Council open to legitimate complaint and legal challenge. If Cabinet wished to consider adoption of alternative arrangements, then full consideration would need to be given to the guidance provided, particularly as to the legal requirements.

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

DECISION

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

Action by:

ACTING CORPORATE DIRECTOR, PLACE (A. SUTCLIFFE)

(Divisional Director, Planning and Building Control (O. Whalley)

(Divisional Director, Growth and Economic Development (V. Clark)

(Sub Regional Partnerships Co-ordinator (S. Randall)

(Interim Economic Programmes and Employment Manager, Employment & Enterprise (M. Cunningham)

(Civic Centre Project Manager (N. Choudhury)

Reasons for the decision

Approval is sought to deliver these projects for the following reasons:

1. They help contribute to the delivery of positive improvements to people's lives that will underpin the Community Plan themes of:
 - A Great Place to Live;
 - A Fair and Prosperous Community;
 - A Safe and Cohesive Community;
 - A Healthy and Supportive Community.
2. The Work Path programme is designed to address barriers to work, with a focus on specific client cohorts. The project uses an innovative methodology for assessing clients' barriers to work, working with a range of partners to provide support to overcome these barriers, and tracking clients' progress over time. It is closely aligned with emerging Department of Work and Pensions (DWP) policy priorities for employment support delivery. The project has identified the ten most common barriers faced by clients.

The Infrastructure Delivery Framework: Evidence Base references the Council's adopted Employment Strategy, which aims to: "...outline how best to help Tower Hamlets residents' capitalise on the dynamic employment growth occurring around them." It is noted that, whilst job creation within Tower Hamlets will increase from 261,000 in 2014 to

465,000 in 2036, a growth of 78% (compared to 14% in London as a whole), for most current employment performance indicators it is clear that Tower Hamlets falls below the average performance of other London Boroughs, and that there is a need for investment to increase employment opportunities for residents.

3. The London Square project is concerned with the wider Civic Centre project. This project hopes to bring the former Royal London Hospital site at Whitechapel back into public use as the Council's main administrative building. The proposal for the Civic Centre site involves demolition of the south-west wing of the former hospital, and partial demolition of the Grocer's Wing with façade retention. The grade II listed 1750s building ('the front block') and chapel will be retained.

The Infrastructure Delivery Plan sets out the infrastructure priorities in the borough. Delivering London Square with the Civic Centre project will:

- Deliver a great space upon opening the Civic Centre;
- Minimise disruption to the staff and visitors to the Civic Centre and Barts hospital, and
- Optimise value for money.

The Council's CIL Regulation 123 list includes references to "Open space, parks and tree planting". There are other public realm improvement projects proposed along the 'Green Spine' in Whitechapel which are being brought forward by the Whitechapel Vision Delivery Team within the Council.

The Infrastructure Delivery Framework: Evidence Base identifies that Whitechapel ward is experiencing significant residential and employment growth. The completion of Crossrail by December 2018 will significantly increase access to strategic transport infrastructure to and from the civic centre. Moreover, the entrance of Crossrail will be aligned with the civic centre Grocers' Wing public entrance which also leads out to London Square. TfL's Crossrail Demand Forecasting Workshop in 2015 projects an additional 4,000 people entering and exiting the station during AM peak hours.

Please refer to the following associated documents/appendices to the report for more information about the projects:

- Appendix A: 'Unlocking Opportunities' Funding PID
- Appendix B: London Square PID

Alternative options

The projects within the attached PIDs can be individually or collectively approved. The only alternative option is to not allocate the funding to some or any of these projects.

It should be noted that the use of S106 funding proposed for allocation in this report is restricted, as it must be spent in accordance with the terms and conditions of its expenditure pertaining to a specific S106 agreement related

to the development from which it originates. Further details of the specific restrictions attached to each S106 agreement can be found in the attached PIDs. Any alternative spend of this funding would have to be on projects that would meet the requirements of the relevant S106 agreement. Use of CIL money is also restricted under the CIL Regulations (as amended).

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

DECISION

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

Action by:

CORPORATE DIRECTOR, RESOURCES (Z. COOKE)

Reasons for the decision

As part of its work programme for 2016/17 the Overview and Scrutiny Committee commissioned a challenge session “to consider the implementation of the Social Value Act in the procurement and commissioning cycle for the Council and our communities”. The challenge session was chaired by Councillor Abdul Mukit (Member for Weavers ward).

The challenge session considered how the council’s approach to implementing and mainstreaming social value in both commissioning and organisational culture has developed and compares with best practice nationally.

The challenge session was held on 9 March 2017 and took the following form:

- Review of the existing procurement and commissioning approach to Social Value;
- Assessment of the monitoring, measurement and review of social value clauses and requirements in contracts;
- Review of the approach to assessing social value impact;
- Challenge session and review of best practice; and
- Development of recommendations based on review of the evidence.

This report sets out the recommendations and the action plan that has been developed to address them. Current progress in developing a Social Value Policy is described below.

Alternative options

The Council has a legal duty to consider aspects of social value in its procurement and commissioning activities (see paragraph 5.2 in the Legal Comments). Current practices do include such considerations and the Council could chose to continue in the current vein although as a result of the scrutiny challenge, there is potential to enhance current practices, through a more

cohesive policy and framework. A 'change nothing' approach would not be in line with the Best Value duty whilst the recommended actions provide for consideration of alternative approaches in the development of the policy and delivery framework.

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

DECISION

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

Action by:

ACTING CORPORATE DIRECTOR, PLACE (A. SUTCLIFFE)

(Divisional Director, Growth and Economic Development (V. Clarke)

(Head of Trading Standards and Environmental Health (D. Tolley)

Reasons for the decision

This item submits the report and recommendations of the challenge session on creating a balanced night time economy in Tower Hamlets by the Overview and Scrutiny Committee (OSC), and the action plan for implementation.

Alternative options

The Mayor in Cabinet could choose to adopt some or none of the recommendations from the report and look for alternative solutions to supporting the night-time economy.

5.7 Local Implementation Plan Annual Spending Plan 2018-19

DECISION

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

Action by:

STRATEGIC DIRECTOR (T. McCOURT)

(Head of Engineering (M. Cooper)

Reasons for the decision

Financial Regulations require the adoption of capital estimates for specific schemes to authorise expenditure by Council Officers on the delivery.

Alternative options

None considered.

5.8 ICT Future Sourcing

The Exempt/Restricted Appendix was noted.

DECISION

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

Action by:

CORPORATE DIRECTOR, RESOURCES (Z. COOKE)

(Divisional Director, IT (A. Gorst))

Reasons for the decision

To ensure the Council enjoys an effective ICT service after the existing contract ends on 31 March 2019, recognising the Council's needs have changed and are changing with the adoption of online and digital services.

To secure direct control of aspects of the ICT service where greater alignment with the Council's operations and strategic priorities will improve services, reduce costs, increase flexibility and reduce risks.

To maintain continuity of service for existing ICT technical services which rely on specialist computing skills provided by Agilisys, recognising there is a limited market for supporting ageing infrastructure.

To complete the ICT transformation programme, delivering a reliable and fit-for-purpose ICT infrastructure for the future, reshaped as commodity services, with widely available support arrangements.

To recommission the transformed ICT technical services using government procurement frameworks ahead of April 1, 2021, leveraging the buying power of the whole public sector to secure value for money.

Alternative options

To extend the existing ICT outsourcing arrangement. Extending the existing contract would not address the changing needs of the Council, nor meet its aspirations to align key aspects of the ICT service with Council priorities.

To fully insource the ICT service. Insourcing the whole service would divert Council and Agilisys resources away from maintaining the existing infrastructure and delivering the ICT transformation, increasing the risk of a catastrophic ICT service failure and leaving the Council with a failing and unsustainable service.

To retender the entire ICT service. Retendering the whole contract and completing the transition of services within a year is a major undertaking, and would divert Council and Agilisys resources away from maintaining the existing infrastructure and delivering the ICT transformation, increasing the risk of a catastrophic ICT service failure. It is unclear if there are sufficient active providers for traditional outsourced IT providers to create a market, hence a risk of having to pay a higher price for a reduced quality of service, and being locked into another long-term contract at a time of significant ICT and organisational change.

To join or establish a shared service. Negotiating entry to an existing or establishing a new shared service and completing the transition of services within a year is a major undertaking, and would divert Council and Agilisys resources away from maintaining the existing infrastructure and delivering the ICT transformation, increasing the risk of a catastrophic ICT service failure. Joining a shared service could also lead to a loss of flexibility at a critical time in the run up to the move to the new Civic Centre in 2021.

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

The Pre-Decision Scrutiny Questions and officer responses were noted.

DECISION

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

Action by:

CORPORATE DIRECTOR, RESOURCES (Z. COOKE)

(Chief Accountant (K. Miles))

Reasons for the decision

The Council could choose to monitor its budgetary performance against an alternative timeframe but it is considered that the reporting schedule provides the appropriate balance to allow strategic oversight of the budget by members and to manage the Council's exposure to financial risk. More frequent monitoring is undertaken by officers and considered by individual service Directors and the Council's Corporate Leadership Team (CLT) including approval of management action.

To the extent that there are options for managing the issues identified these are highlighted in the report in order to ensure that members have a full picture of the issues and proposed solutions as part of their decision making.

Alternative options

The regular reporting of Revenue and Capital Budget Monitoring information provides detailed financial information to members, senior officers and other interested parties on the financial performance of the Council. It sets out the key variances being reported by budget holders and the management action being implemented to address the identified issues.

Further information across the Council's key financial activities is also included to ensure that CLT and Members have a full picture to inform their consideration of any financial decisions set out in this report and also their broader understanding of the Council's financial context when considering reports at the various Council Committees.

Set alongside relevant performance information it also informs decision making to ensure that Members' priorities are delivered within the agreed budget provision.

It is important that issues are addressed to remain within the approved budget provision or where they cannot be contained by individual service management action, alternative proposals are developed and solutions proposed which address the financial impact; CLT and Members have a key role in approving such actions as they represent changes to the budget originally set and approved by them.

6. ANY OTHER UNRESTRICTED BUSINESS CONSIDERED TO BE URGENT

Nil items.

7. EXCLUSION OF THE PRESS AND PUBLIC

Nil items.

8. EXEMPT / CONFIDENTIAL MINUTES

Nil items.

9. OVERVIEW & SCRUTINY COMMITTEE

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

Nil items.

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

Nil items.

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

Nil items.

The meeting ended at 7.00 p.m.

Mayor John Biggs