

**LONDON BOROUGH OF TOWER HAMLETS**

**RECORD OF THE DECISIONS OF THE CABINET**

**HELD AT 4.00 P.M. ON WEDNESDAY, 27 JUNE 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 Rachel Blake	(Deputy Mayor and Cabinet Member for Regeneration and Air Quality)
Councillor Asma Begum	(Deputy Mayor and Cabinet Member for Community Safety and Equalities)
Councillor Amina Ali	(Cabinet Member for Culture, Arts and Brexit)
Councillor Danny Hassell	(Cabinet Member for Children, Schools and Young People)
Councillor Denise Jones	(Cabinet Member for Adults, Health and Wellbeing)
Councillor Candida Ronald	(Cabinet Member for Resources and the Voluntary Sector)
Councillor Motin Uz-Zaman	(Cabinet Member for Work and Economic Growth)

**Other Councillors Present:**

Councillor Peter Golds	
Councillor Zenith Rahman	
Councillor Abdal Ullah	(Chair of the Overview and Scrutiny Committee)
Councillor Andrew Wood	(Leader of the Conservative Group)

**Officers Present:**

Stephen Bramah	(Deputy Head of the Mayor's office)
Zena Cooke	(Corporate Director, Resources)
David Courcoux	(Head of the Mayor's Office)
Thorsten Dreyer	Strategy & Business Development Manager
Asmat Hussain	(Corporate Director, Governance and Monitoring Officer)
Debbie Jones	(Corporate Director, Children's)
Christine McInnes	(Divisional Director, Education and Partnership, Children's)
Neville Murton	(Divisional Director, Finance, Procurement & Audit)
Sam Nair	Principal Social Worker - Children with Disabilities Team

Denise Radley	(Corporate Director, Health, Adults & Community)
Judith St John	(Divisional Director, Sports, Leisure and Culture)
Will Tuckley	(Chief Executive)
Janet Fasan	(Divisional Director, Legal)
Tom McCourt	(Strategic Director)
Ann Sutcliffe	(Acting Corporate Director, Place)
Joseph Lacey-Holland	(Senior Strategy Policy & Performance Officer)
Susan Mulligan	(Communications Advisor, Communications, Law Probity & Governance )
Matthew Mannion	(Committee Services Manager, Democratic Services, Governance)

## **1. APOLOGIES FOR ABSENCE**

Apologies for absence were received on behalf of Councillor David Edgar (Cabinet Member for Environment)

Apologies for lateness were received on behalf of:

- Councillor Motin Uz-Zaman (Cabinet Member for Work and Economic Growth)
- Councillor Abdal Ullah (Chair of the Overview and Scrutiny Committee)
- Will Tuckley (Chief Executive)

## **2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS**

Councillor Candida Ronald declared an interest in Agenda Item 6.4 (Isle of Dogs Neighbourhood Plan Examiner's Report) as she was a Member of the Isle of Dogs Neighbourhood Planning Forum. She did not consider the interest to be Pecuniary but she would nevertheless leave the room for the duration of that item.

## **3. UNRESTRICTED MINUTES**

### **DECISION**

1. That the unrestricted minutes of the Cabinet meeting held on Tuesday 27 March 2018 be approved and signed by the Chair as a correct record of proceedings.

## **4. ANNOUNCEMENTS (IF ANY) FROM THE MAYOR**

Please see the minutes.

## **5. OVERVIEW & SCRUTINY COMMITTEE**

### **5.1 Chair's Advice of Key Issues or Questions**

The Chair of the Overview and Scrutiny Committee (OSC) advised Cabinet that there were a large number of questions from OSC in relation to Agenda

Item 6.3 (Securing the future of early years services). However, due to the number of questions received it had been agreed that a response would be provided within a week of submission.

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

Nil items.

## **6. UNRESTRICTED REPORTS FOR CONSIDERATION**

### **6.1 Children's Services Improvement- Quarterly Progress Report (Quarter 4 17/18)**

#### **DECISION**

1. To endorse the progress made in delivering the children's services improvement programme.
2. To agree the next steps in the improvement journey which will be updated on in the next report.

Action by:

**CORPORATE DIRECTOR, CHILDREN'S SERVICES (D. JONES)**  
(Children's Services Improvement Manager (C. Sani))

#### **Reasons for the decision**

Corporate and political leadership of the Children's Services improvement agenda is a critical part of ensuring its success. Consideration of this report in Cabinet will support this leadership and help to facilitate public scrutiny of progress.

#### **Alternative options**

There are no alternative options to consider.

### **6.2 Draft Waste Management Strategy and Future Service Delivery Options**

#### **DECISION**

1. To note and consider the development of the Draft Waste Management Strategy 2018-2030
2. To approve the Draft Waste Management Strategy 2018 – 2030 for consultation between 2<sup>nd</sup> July 2018 and 30 September 2018.
3. To note that the results of that consultation will be reported to a future cabinet meeting, along with the final Waste Management Strategy for approval.
4. To authorise the Acting Corporate Director of Place to commence procurement of an integrated waste, recycling and cleansing

contract via competitive dialogue in September 2018 to be implemented for April 2020.

5. To authorise the Acting Corporate Director of Place to develop an “in house” service option for an integrated waste, recycling and cleansing service for future consideration and approval in September 2018
6. To note the Equalities Impact Assessment considerations as set out in Paragraph 4.1 of the report.

**Action by:**

**ACTING CORPORATE DIRECTOR, PLACE (A. SUTCLIFFE)**

(Interim Divisional Director Public Realm (R. Payne)

(Business Manager Operational Services (R. Williams)

**Reasons for the decision**

The Council last adopted a Waste Strategy in 2003 and since that time the legislative framework surrounding waste management has changed significantly with the EU, the UK Government and the Mayor of London driving the agenda towards a more sustainable and circular economy. This has resulted in challenging targets being set at both regional and national levels. For instance the Mayor for London’s target that by 2030, 65 per cent of municipal waste will be recycled.

Environmental improvements are a key priority for Tower Hamlets, however delivering these improvements within an inner London Borough are challenging. Within Tower Hamlets these challenges are even more complex given it has:

- One of the fastest growing and most diverse populations in the country.
- Increasing daily levels of visitors and worker across the borough
- Over 80 percent of resident living in flats
- The third highest population density with some of the highest levels of deprivation in parts of the borough
- One of the fastest growing “night time” and weekend economies in London.
- Increasing levels of waste from residents, business and visitors.

To meet these challenges there is a need to reduce the amount of waste created and increase the percentage that is reused, recycled or composted. We need to work with the people and businesses of Tower Hamlets to encourage pride in our environment and encourage and enable ways of dealing with waste that help us all. We need to collaborate with and provide leadership to businesses, housing associations and others that have a responsibility for managing waste.

Central to delivering the required change is our ability to improve the way we engage with people. Helping them to manage and minimise their waste, recycle more and take greater personal responsibility for improving their local

environment.

An increased focus on improved engagement, communication and education with resident, business and visitors to the borough is essential in order to encourage positive behaviour change. The need to work closely with registered social landlords, managing agents, private landlords and housing associations is key to encouraging responsible management of waste people produce.

As such there is a need to develop and consult on a new Waste Management Strategy that presents our ideas about how we will work together to improve services and respond to these challenges. To set out our priorities and guide the way we develop and improve our waste services over the next 12 years.

To this end, the draft strategy recommends key policy and service changes that are needed to support the delivery of these improvements as well as the behaviour changes and incentives that are required. The strategy itself will be supported by a number of key delivery plans that will be developed.

Consultation on the Draft Waste Management Strategy is required to ensure solutions designed to deliver these environmental improvements have involved stakeholders and more importantly, been designed around the needs of the Borough's diverse community as well as its physical characteristics.

Given the challenges of improving the effectiveness of waste, recycling and cleansing services in Tower Hamlets, there is an increased need for further innovation, quality and improved value for money in delivering these services.

The 2017 annual customer satisfaction survey highlighted a need for improvement with 48% of residents feeling that rubbish and litter was a very, or fairly big problem in their area.

Proposals for extending the current contracts for waste, recycling and cleansing to terminate at the end of March 2020 were agreed by Cabinet in October 2016. This has enabled officers to develop a range of delivery options and provide detailed information for members to make an informed decision on the most appropriate service delivery model to deliver future waste, recycling and cleansing services.

The Council needs to commence a process to re-commission these services by no later than September 2018, in order to ensure that the council is in position to provide service continuity and discharge its statutory duties from 1st April 2020

There is the opportunity to assess and deliver the most innovative, cost effective and customer focused future service model, through the adoption of a "twin track" approach, which allows assessment of the benefits of an In - House service delivery model, compared to a new Integrated Waste, Recycling and Cleansing contract delivered via a competitive dialogue procurement route.

**Alternative options****Not developing, consulting on, or adopting a new Waste Management Strategy**

This would not provide a way of sharing and delivering on a vision for future waste management, or promoting the urgent need for change from a linear to circular economy across Tower Hamlets

This would restrict much needed engagement and communication with a diverse range of key stakeholders across the borough, including residents, businesses, registered social landlords and private landlords. This would make it harder to engage and involve key stakeholders and to encourage them to take more responsibility for managing waste within their control.

This would also restrict our ability to engage with key stakeholders on the implication of updated national and regional waste strategy / guidance.

**Alternative Commissioning Options**

The Council commissioned a report by consultants Eunomia, to analyse the options available for the future delivery of its waste collection, recycling collection, and street cleansing services with findings presented to the Council in February 2016.

A number of options were considered as listed below. Initial high-level analysis and short-listing determined four options (shown in **bold**) for more detailed consideration against cost, service quality and risk criteria:

- Contracting out via : **Re-procurement** – going back to the market to conduct a new procurement exercise
- **In-house** – bringing the service in house to deliver it through a Direct Services Organisation (DSO) or similar;
- **Local Authority Trading Company (LATC)** – using an authority owned company, either a new company or an existing company founded by another authority;
- **Sharing services (partnership working)** with other local authorities, either through the creation on a joint In-House service or the joint procurement of an external contractor.

A long list of the commissioning options available to the council is set out in Appendix 1, which highlights the key positive and negative aspects of each option.

The options of establishing a mutual and the two shared service options were not shortlisted for detailed analysis following the high-level analysis of the long list of options.

Establishing a mutual appears to be unworkable from a governance perspective and would in any case require the service to be put out to tender shortly after establishment, potentially resulting in a short-lived experiment. Shared service delivery options are much better tested, but worthwhile approaches cannot realistically be delivered in the timescales available. As such, these options were not taken forward for further consideration.

### **6.3 Securing the future of Early Years services - local authority day nurseries**

#### **DECISION**

1. To note the proposal to undertake a phased closure of the council's three childcare day nurseries.
2. To agree that consultation take place in respect of the said proposal(s) and that the feedback of the said consultation to be brought back to the mayor for consideration.
3. To note what further actions will be undertaken to improve the availability of affordable and accessible childcare.

#### **Action by:**

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

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

#### **Reasons for the decision**

Securing a successful start and the best opportunities for our youngest children, and particularly those from disadvantaged backgrounds, is at the heart of this administration.

Raising standards whilst narrowing the gap between the most and least disadvantaged children and their peers are key priorities. In Tower Hamlets, early years is a success story, we have clear evidence of a steady trajectory of improvement in performance in both these priorities over a number of years.

This administration is committed to playing a key role in lifting families out of poverty, ensuring good stewardship of resources and fair and equitable decision making. This will mean at times there will be a need to make difficult judgements about which services to prioritise over others and decisions which benefit the system as a whole.

In January 2017, Cabinet approved business case CHI003 / SDM013 "Increasing the involvement of partners in Early Years" which sought annual savings of £2.057m by finding new operators for the council's three day nurseries (LADNs) at Overland in Bow, John Smith in Whitechapel and Mary Sambrook in Stepney. An option was developed and put out for public consultation in the Autumn of 2017, with findings considered by MAB in January 2018. The Mayor deferred a decision on the proposal, and

subsequent events have brought about the development of a new proposal for a phased closure of the LADNs.

The LADNs are funded from three main sources: the bulk of the costs come from the retained funding element of the DSG which is allocated by the Schools Forum; government funding of free places; and partly from fees paid by some parents. The balance of the LADN costs are being met by pressure on Children's Services budgets.

In March the Schools Forum decided to reduce the amount of its funding for LADNs with no more to follow after September 2018. The Schools Forum strongly felt that the LADNs do not provide value for money and there are more effective uses for that funding with the early years system and schools. The consequence of this decision for Children's Services is that the majority of the costs for the LADNs become a budget pressure on the Integrated Early Years budgets. The cessation of the DSG support will make the already unsustainable finances of the LADNs even worse. There is no ring-fenced General Fund budget for the LADNs, the saving identified in the original business case cannot be achieved from the LADNs and equivalent savings will have to be found elsewhere in service budgets.

This double financial blow to the budget means that there will be significantly fewer resources available to run other services such as Children's Centres and undertake other key tasks. This will actively undermine the Council's early years priorities, stated above and its ability to create new childcare places to meet the needs identified in the Sufficiency Assessment.

As a result, the Council is now seeking to consult on a phased closure of the LADNs and supporting families to access existing empty places at maintained nurseries and other providers.

### **Alternative options**

The recommended option in the consultation is a phased closure of the LADNs, allowing for an orderly transition for children moving between the LADNs and, when specialist capacity is available, to other childcare providers. The Council will in any event continue to support Children's House maintained nursery school to expand the capacity and scope of its services for deaf children and their families together with childcare. This would therefore be the natural place for children from Overland LADN to go, if a decision is taken to close the nursery. Currently there are 12 children with hearing impairment or deafness at Overland. 8 will return in September and there are 8 more that will require a place from September and these families are being invited to view the provision at Children's House nursery as a possible option for them to attend. This will assist those families to be able to give an informed view during the consultation.

The consultation will set out the proposal that Mary Sambrook LADN would close at the end of July 2018, followed by John Smith LADN and finally Overland in the first half of 2019.

The main alternative under consultation is to do nothing and continue to operate the LADNs within the Council. This would not address the issues of equity and financial pressures detailed in this report and alternative savings totalling £953K would need to be found from other services funded by General Fund.

Whilst options to transfer operations to other providers were consulted on, initial scoping with potential providers identified that they would not proceed if staff were TUPE'd as part of the arrangement.

#### **6.4 Isle of Dogs Neighbourhood Plan Examiner's Report and Council's Response (Regulation 25)**

##### **DECISION**

1. To note the Isle of Dogs Neighbourhood Development Plan Report of Examination (Appendix 1) and the Examiner's recommendation that the draft Neighbourhood Plan does not meet the basic conditions stipulated by legislation and therefore should be refused and cannot proceed to referendum.
2. To agree with the Examiner's recommendations and therefore that the plan proposal be refused and not proceed to referendum.
3. To note that the Council will continue to provide support to the Isle of Dogs Neighbourhood Forum as they consider their next steps.
4. To note the specific equalities considerations as set out in section 8 of the report.

##### **Action by:**

##### **ACTING CORPORATE DIRECTOR, PLACE (A. SUTCLIFFE)**

(Principal Planning Officer (E. Kuper-Thomas))

(Plan Making Team Leader (M. Ryan-Hernandez))

##### **Reasons for the decision**

The Isle of Dogs Neighbourhood Plan has been the subject of an independent examination process including a public hearing. Following receipt of an Examiner's report on the 7<sup>th</sup> of June 2018 the Council is required to consider the recommendations in the report and decide what action to take in relation to each. The Council must also come to a decision regarding whether the draft neighbourhood plan meets the basic conditions and legal requirements or could meet the basic conditions and legal requirements, if modifications were made to the draft Plan (whether or not recommended by the Examiner). If the Council decides that the Plan does or could, following modification, meet the basic conditions and legal requirements, the Plan must be taken to referendum. This decision must be made within 5 weeks of the receipt of the Examiner's report.

##### **Alternative options**

The Council is not bound by the Examiner's recommendations and is able to make a decision which differs from that recommended by the Examiner.

As outlined above, the Council is required by the legislation to make its own decision regarding whether the draft neighbourhood plan meets or could meet, following modification, the basic conditions and legal requirements.

While the Council is not bound by the Inspector's recommendations a failure to accept them without good reason runs the risk of legal challenge and/or intervention by the Minister for Housing, Communities and Local Government.

#### Deciding the Plan meets the basic conditions and legal requirements

The Council could therefore decide the neighbourhood plan meets the basic conditions and legal requirements.

It is not considered that this is an alternative available to the Council as officers consider that the draft Isle of Dogs Neighbourhood Plan, as drafted, does not meet the basic conditions and legal requirements for reasons we provided in our consultation responses to the draft Plan and at the hearing during the examination.

#### Making modifications to the Plan to meet the basic conditions and legal requirements

The Council could also seek to make modifications to the draft Plan, so that it could meet the basic conditions and legal requirements.

It is not considered that this is a suitable alternative as officers agree that the fundamental flaw identified by the Examiner and the cumulative nature of the policy drafting concerns he has raised, mean that the NDP cannot be modified sufficiently to meet the basic conditions.

## **6.5 Provisional Outturn report 2017-18**

### **DECISION**

1. To note the Council's provisional outturn position against Revenue and HRA budgets agreed for 2017-18, based on information as at the end of March as detailed in the Appendices to the report.

#### **Action by:**

**CORPORATE DIRECTOR, RESOURCES (Z. COOKE)**

(Chief Accountant, K. Miles)

#### **Reasons for the decision**

The production of annual accounts is a statutory function and the outturn report summarises the financial position for Members to form an assessment of performance in delivering their priorities within the budgets set.

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. Issues that are apparent in 2017-18 will, if not addressed, continue to impact on the Council's finances.

**Alternative options**

The regular reporting of Revenue and Capital Budget Monitoring information through the year and the preparation of the provisional outturn position after the year end provide detailed financial information to members, senior officers and other interested parties on the financial performance of the Council.

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 position set out in this report and also their broader understanding of the Council's financial context when considering reports at the various Council Committees.

No alternatives are considered as the report sets out the actual position of the Council following completion of the 2017-18 year.

**6.6 2017-18 year-end Strategic Performance Monitoring****DECISION**

1. o note the Strategic Plan actions and strategic performance measures (Appendix 1 to the report) year-end performance.

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**Action by:****CHIEF EXECUTIVE (W. TUCKLEY)**

(Divisional Director, Strategy, Policy and Performance (S. Godman)

(Strategy, Policy and Performance Officer (V. Allen)

**Reasons for the decision**

The council's Performance Management and Accountability Framework sets out the process for monitoring the Strategic Plan and performance measures which are reported regularly to the Corporate Leadership Team and Cabinet.

This report promotes openness, transparency and accountability by enabling Tower Hamlets' residents to track progress of activities that impact on their lives and on the communities they live in.

**Alternative options**

Cabinet can decide not to review the performance information. This is not recommended as Members have a key role to review and challenge underperformance and also utilise performance information to inform resource allocation.

**6.7 Contracts Forward Plan 2018/19 – Quarter One****DECISION**

1. To note the report.
2. That reports on the following contracts be provided to the Lead Members on the following contracts before final contract awards:
  - a. R5345 – Enforcement Agents
  - b. HAC5356 – 0-5 Specialist Community Public Health Nursing
3. To confirm that the remaining contracts set out in Appendix 1 to the report may proceed to contract award after tender.
4. To authorise the Divisional Director, Legal Services to execute all necessary contract documents in respect of the awards of contracts referred to in recommendation 3 above.
5. To note the procurement forward plan 2018-22 schedule detailed in Appendix 2 of the report.

**Action by:****CORPORATE DIRECTOR, RESOURCES (Z. COOKE)**

(Head of Procurement (Z. Ahmed))

**Reasons for the decision**

The Council's Procurement Procedures require submission of a quarterly forward plan of contracts for Cabinet consideration, and it is a requirement of the Constitution that "The contracting strategy and/or award of any contract for goods or services with an estimated value exceeding £250K, and any contract for capital works with an estimated value exceeding £5m shall be approved by the Cabinet in accordance with the Procurement Procedures". This report fulfils these requirements for contracts to be let during and after quarter one of the current financial Year.

**Alternative options**

Bringing a consolidated report on contracting activity is considered the most efficient way of meeting the requirement in the Constitution, whilst providing full visibility of contracting activity; therefore no alternative proposals are being made.

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

Nil items.

**8. EXCLUSION OF THE PRESS AND PUBLIC**

Nil items.

**9. EXEMPT / CONFIDENTIAL MINUTES**

Nil items.

**10. OVERVIEW & SCRUTINY COMMITTEE**

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

Nil items.

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

Nil items.

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

Nil items.

The meeting ended at 5.36 p.m.

Mayor John Biggs