

LONDON BOROUGH OF TOWER HAMLETS**MINUTES OF THE CABINET****HELD AT 5.30 P.M. ON TUESDAY, 28 JULY 2015****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 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)
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Apologies:

Councillor Asma Begum	(Cabinet Member for Culture)
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Officers Present:

Luke Addams	(Interim Director of Adult's Services)
Katherine Ball	(Senior Accountant, Development & Renewal)
Simon Baxter	(Acting Service Head, Public Realm, Communities Localities & Culture)
Robin Beattie	(Service Head, Strategy & Resources, Communities Localities & Culture)
Kate Bingham	(Service Head, Children's and Adults Resources)
Max Caller	(Commissioner)
David Galpin	(Service Head, Legal Services, Law Probity & Governance)
Stephen Halsey	(Head of Paid Service and Corporate Director Communities, Localities & Culture)
Fiona Heyland	(Head of Waste Strategy Policy and Procurement, Public Realm, Communities Localities & Culture)
Chris Holme	(Service Head, Resources & Economic Development)

Debbie Jones	(Interim Corporate Director, Children's Services)
Sir Ken Knight	(Commissioner)
Ellie Kuper-Thomas	(Strategy, Policy and Performance Officer - Executive Mayor's Office, One Tower Hamlets, DLPG)
Paul Leeson	(Finance Manager, Development & Renewal)
Jackie Odunoye	(Service Head, Strategy, Regeneration & Sustainability, Development and Renewal)
Nasima Patel	(Service Head Children's Social Care, Children's Services)
Kelly Powell	(Acting Head of Communications)
Louise Russell	(Service Head Corporate Strategy and Equality, Law Probity & Governance)
Barry Scarr	(Interim Service Head, Finance & Procurement)
Matthew Mannion	(Committee Services Manager, Democratic Services, LPG)
David Knight	(Senior Democratic Services Officer)

1. APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of:

- Councillor Asma Begum (Cabinet Member for Culture)
- Aman Dalvi (Corporate Director, Development & Renewal) for whom Jackie Odunoye (Service Head, Head of Strategy, Regeneration and Sustainability) was deputising.

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS

There were no declarations of Disclosable Pecuniary Interests.

3. UNRESTRICTED MINUTES

The unrestricted minutes of the Cabinet meeting held on 13 May 2015 were noted.

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), **tabled** pre-scrutiny questions in relation to the items on the agenda listed below. The questions were responded to during consideration of each respective item.

- Agenda Item 5.1 – Mental Health Recovery and Well-Being Service.
- Agenda Item 5.2 – Transfer of Commissioning Responsibility for Early Years (0-5 years) Public Health Services from NHS England to the Local Authority.
- Agenda Item 5.3 – Ending Groups, Gangs and Serious Violence (EGGSYV).

- Agenda Item 5.5 – Sovereign Court – Change of Consent and Lease Extension.
- Agenda Item 5.6 – Strategy and Options for the use of Right to Buy Receipts.
- Agenda Item 5.7 - Strategic Performance, 14/15 General Fund Revenue Budget and Capital Programme Monitoring Q4/Year End.
- Agenda Item 5.9 – Best Value Plans – Draft 6 Month Update Report.

He also updated Cabinet on the OSC meeting that had been held the night before. He reported that there had been valuable discussions on a number of items including on Town Centre Policy and the quarterly revenue and performance monitoring report . In particular though he highlighted the new Overview and Scrutiny Transparency Commission that, over the next three OSC meetings would consider various aspects of transparent democracy and decision making. The Commission had already heard from local bloggers and journalists at its meeting the previous evening and it was hoped that further submissions would be considered from the public and interested parties as well as from Members and officers.

The **Mayor** thanked Councillor John Pierce for his contribution.

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

Delivery/Procurement options for the new Civic Centre

Councillor John Pierce, Chair of the Overview and Scrutiny Committee (OSC), presented the call-in reference report from the OSC meeting held on 12 May 2015 on the Delivery/Procurement options for the new Civic Centre. He stated that due to the importance of the decision the Committee had felt that further consideration was required.

The **Mayor** agreed that further consideration was appropriate and that a new report should be presented to Cabinet.

RESOLVED

1. That the original decision be withdrawn and for a new report to be presented to Cabinet at the earliest opportunity.

5. UNRESTRICTED REPORTS FOR CONSIDERATION

5.1 Mental Health Recovery & Wellbeing Services

Councillor Amy Whitelock Gibbs, Cabinet Member for Health and Adult Services, introduced the report. She explained that the report proposed reshaping commissioned mental health services from 17 separate contracts into a single lead provider/sub-contractor model to make the services more co-ordinated and better able to meet the needs of users. She highlighted that

the proposals had been developed following user feedback and consultation with health providers and that no funding cuts were proposed.

She requested that a change be made to the recommendations to ensure that a report be brought back to Cabinet before the final contracts were awarded.

The **Mayor** welcomed the report, noted the pre-scrutiny questions and **agreed** the recommendations subject to the proposed amendment.

RESOLVED

1. To agree commencement of a procurement process to secure provision of the Mental Health Recovery & Wellbeing Service from April 2016
2. To authorise the Director of Adult Services to finalise the overall service design, after consultation with the Lead Member and Mayor.
3. That a report on the final awarding of the contract be brought back to Cabinet for decision.
4. To agree to extend the two existing contracts with Mind in Tower Hamlets and Working Well Trust detailed in Table 2 in paragraph 3.9 of the report until 31st March 2016.
5. To note that funding is already approved within the existing mental health base budget for 2016/17 and no funding reductions are proposed.

5.2 Transfer of Commissioning Responsibility for Early Years (0-5 years) Public Health Services from NHS England to the Local Authority

Councillor Rachael Saunders, Deputy Mayor and Cabinet Member for Children's Services and Councillor Amy Whitelock Gibbs, Cabinet Member for Health and Adult's Services, jointly introduced the report.

They highlighted that, although this specific report was about transferring existing contracts, this would provide the opportunity to explore ways of creating the best integrated children's services.

The **Mayor** welcomed the report and agreed on the importance of looking to better integrate services. He noted the questions from the Overview and Scrutiny Committee and **agreed** the recommendations as set out in the report.

RESOLVED

1. To agree, in principle, to accept a novation of the current 0-5 services contract from NHS England to the Council on 1st October 2015.

2. To authorise the Director of Public Health, after consultation with the Service Head – Legal Services, to agree the terms of the novation on behalf of the Council, subject to due diligence checks.
3. To authorise the Director of Public Health to agree the amount of funding which the Council will accept to discharge the 0-5 public health functions which will transfer to it from 1st October 2015.
4. To authorise the Service Head – Legal Services to execute all necessary documentation to give effect to these decisions.

5.3 Ending Groups, Gangs and serious Violence (EGGSYV)

Councillor Shiria Khatun, Deputy Mayor and Cabinet Member for Community Safety and Councillor Rachael Saunders, Deputy Mayor and Cabinet Member for Children's Services, jointly introduced the report. In particular they highlighted the action plan that accompanied the report and the planned partnership approach to tackle the problem. This plan could make a significant difference to communities across Tower Hamlets.

During discussion of the report contributions were received from other Cabinet Members and officers. Councillor Peter Golds, Leader of the Conservative Group also spoke to emphasise how important he considered the issue to be and in particular that the Council's Youth Service's effectiveness needed to be reviewed.

The **Mayor** thanked everyone for their contributions, noted that this was a 'living document' that should develop over time and noted the pre-scrutiny questions. He promised that the OSC would be written to on their detailed points and stated that a report looking at the Youth Service would be presented to Cabinet at a later date. Finally, he **agreed** the recommendations as set out.

RESOLVED

1. To agree the Ending Groups, Gangs and Serious Youth Violence Strategy 2015/16 – 2017/18 and the supporting action plan.

5.4 Re-procurement of Waste Management Services Contracts

Robin Beattie, Service Head Strategy and Resources, Communities, Localities and Culture, introduced the report on the re-procurement of waste management contracts and in particular proposals to extend some contracts so that they would all expire at the same time to allow combined contract options to be explored.

Councillor Peter Golds, Leader of the Conservative Group, spoke to highlight the pressing need for action on this issue and to highlight the potential financial risks if the wrong contract decisions were taken.

The **Mayor** welcomed the report stating it was very important to get these services right. The important inclusion of action on homophobic violence was noted. He **agreed** the recommendations as set out in the report.

RESOLVED

1. To agree that Blackwall Depot is designated as the Council's operational depot for the delivery of refuse, recycling and street cleansing services, within the Council's Asset Management Strategy
2. To approve a 16 month extension of the Municipal Waste (Cleansing) Contract to extend the contract term through until 30th September 2018
3. To approve the transfer of the existing Underground Refuse and Recycling Service to the Municipal Waste (Cleansing) Contract and authorise the Head of Legal Services to enter into all necessary supplemental agreements and documentation necessary to complete the transfer.
4. To approve the procurement of a short term Integrated Recycling Contract to run from 1st June 2017 to 30th September 2018 and authorise the Corporate Director CLC to award the contract and the Head of Legal Services to execute the contract documents.
5. To agree that a review of the Council's policies and service standards in relation to recycling, residual waste services and street cleansing be undertaken and be reported back to Cabinet.
6. To approve the procurement of a waste disposal contract for a contract term of 9 years 6 months initial term plus option to extend for 8 years and authorise the Corporate Director CLC to award the contract and the Head of Legal Services to execute the contract documents.
7. To agree that Northumberland Wharf Waste Transfer Station is offered to the contractor, through a commercial lease that will be co-terminus with the term of the contract, to support the delivery of waste treatment and disposal services
8. To note that the lease of Northumberland Wharf Waste Transfer Station will require the prior approval of the appointed commissioners being disposal of real property as required by the Directions made on 17 December 2014 by the Secretary of State for Communities and Local Government.
9. To approve the procurement of Materials Sorting (MRF) Services on a rolling basis of 2+1 years and authorise the Corporate Director CLC to determine the procurement strategy and specification after consultation with the Mayor and Lead Member.
10. To authorise the Corporate Director CLC to award the MRF contract and the Head of Legal Services to execute the contract documents.

11. To agree that a review of the opportunity for shared service provision with other local authorities for refuse and recycling collections and street cleansing or the opportunity to bring some of the services in-house be undertaken and reported back to Cabinet prior to the procurement of a long term Refuse, Recycling and Street Cleansing Contract.
12. To agree that the waste treatment and disposal contract will include a price change mechanism to avoid inflation driven cuts to services over the lifetime of the contract.
13. To approve the commencement of the procurement of these services in line with the recommendations included in this report.
14. To agree the conduct of consultation regarding delivery of environmental services.

5.5 Sovereign Court - Change of Use Consent and Lease Extension

Councillor David Edgar, Cabinet Member for Resources, introduced the report. He highlighted that the developer was able to take advantage of changes to planning rules that allowed conversions to residential use without Council planning approval but that in this case the Council, as freeholder, had the ability to require payment to secure its agreement.

The pros and cons of the decision were discussed and in particular Councillor Joshua Peck, Cabinet Member for Work and Economic Growth, expressed concern over the potential impact on the provision of local jobs.

The **Mayor** thanked everyone for their contributions, noted the pre-scrutiny questions and stated that, on balance, he considered that the proposal should be accepted. He **agreed** the recommendations as set out in the report.

RESOLVED

1. To agree to the change of use under the terms of the lease from office (Use Class B1) to residential (Use Class C3) upon such terms as the Council is advised by its advisers to accept and subject to payment of a premium of £7.35m on the payment terms described in this report.
2. To authorise the Corporate Director, Development & Renewal, after consultation with the Service Head – Legal Services, to agree the final terms and conditions of any agreement or deed including a deed of variation of lease to implement the above decision.
3. To authorise the Service Head – Legal Services to execute all necessary documents to implement this decision.

5.6 Strategy and Options for the Use of Right to Buy Receipts

Councillor Rachel Blake, Cabinet Member for Strategic Development, introduced the report. She explained that the Council had to use the receipts to invest in new homes and that the money must be invested within three years. The strategy had a number of approaches including new build, grants to housing associations and buy backs. She also responded to the pre-scrutiny questions.

The **Mayor** welcomed the report, noted the pre-scrutiny questions and **agreed** the recommendations as set out.

RESOLVED

1. To note the issues in this report and the proposal that a more detailed report will be brought in September.
2. To agree that a strategy to utilise receipts using the measures outlined in this report be developed, in order to secure additional Council Housing, and affordable housing provided by Registered Providers, and to avoid the risk of losing valuable resources.
3. To authorise the Corporate Director, Development and Renewal, after consultation with the Mayor, to identify and progress development feasibilities for a number of HRA sites for inclusion in the RTB Receipts programme for presentation to Cabinet.
4. To develop further ideas for the development of new homes at Tent Street and William Brinson, to be presented to Cabinet in September.
5. To authorise the Corporate Director to procure the professional and technical services required to identify the feasibility for development of these sites to RIBA stage 3.
6. To agree that a longer term strategy be developed for the use of right to buy receipts as they accrue and presented to Cabinet. This should include investigating the setting up of a RTB Receipts Grant programme for Registered Providers, utilising s106 schemes and exploring the use of RTB receipts to enhance Housing Options.
7. To agree to development of a strategy for a programme of Council RTB buy backs, which will be presented to the Executive at the earliest opportunity, and which may be extended to Registered Providers which satisfy conditions of affordability and good quality management.
8. Authorise the Corporate Director, Development & Renewal, after consultation with the Service Head – Legal Services, to agree the final terms and conditions of any agreements to implement the above decision.

5.7 Strategic Performance, 14/15 General Fund Revenue Budget and Capital Programme Monitoring Q4/Year End

Councillor David Edgar, Cabinet Member for Resources, introduced the report. He highlighted the small overspend compared to the original budget, the level of reserves and the Housing Revenue Account surplus. He expressed some concerns that there was a significant underspend in the capital programme which would need looking at. He also noted the annual residents survey and responded to the pre-scrutiny questions.

Chris Holme, Acting Corporate Director, Resources, highlighted that the Housing Revenue Account was likely to be impacted by the government's budget announcement.

The **Mayor** noted the comments and thanked Chris Holme for his work for the Council during his period as Acting Corporate Director.

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

RESOLVED

1. To note the Council's financial performance compared to budget for 2014/15 as detailed in sections 3 to 8 and appendices 1-5 of this report.
2. To note the transfers to reserves as detailed in Appendix 5 of this report.
3. To review and note 2014/15 year end performance for strategic measures and Strategic Plan activities in sections 9 -10 and appendices 6 to 7.
4. To review and note the findings of the Council's Annual Residents Survey 2014/15 in section 11 and appendix 8.

5.8 Contracts Forward Plan 2015/16

Councillor David Edgar, Cabinet Member for Resources, introduced the report.

The **Mayor** considered the report as set out and stated that, subject to any urgency issues, he wished for all the reports to come back to Cabinet to be individually considered.

RESOLVED

1. To confirm that the award of all the contracts listed should be individually presented to future Cabinet meetings for decision, unless urgency requires that an individual mayoral decision be sought.

5.9 Best Value Improvement Plan - Six Monthly Monitoring

The **Mayor** introduced the report highlighting its role in monitoring the progress of the Council in meeting the Best Value requirements.

Stephen Halsey, Head of Paid Service, highlighted the progress report and that it could be updated if required following consultation with the Mayor and Cabinet Members and before submission to the Secretary of State.

The **Mayor** noted the pre-scrutiny questions and **agreed** the recommendations as set out.

RESOLVED

1. To agree the draft six month progress update (Appendix 1) for submission to the Commissioners on 9th September;
2. To note that the progress report will be updated to reflect the latest position prior to consideration by the Commissioners on 9th September, before submission to the Secretary of State.

5.10 Strategic and Resource Planning 2016/17 to 2018/19

Councillor David Edgar, Cabinet Member for Resources, introduced the report. He highlighted the significant cuts that were required and the likely impact of the forthcoming government's spending review.

During discussion some of the proposed budget alterations were noted including additional money for street cleaning.

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

RESOLVED

1. To note the budget adjustments for 2015/16 to reflect new growth pressures and mayoral priorities (paragraph 3.3.4 and 3.3.5).
2. To note the additional funding secured by the authority through the Local enterprise partnership (LEP)
3. To agree spending plans that have been approved by the GLA (Appendix 1) (paragraph 3.3.7 to 3.3.10).
4. To note that through the 2014/15 closure process £7.5m uncommitted new homes bonus (NHB) has been set aside to fund replacement of social housing (paragraph 3.6.6).

5. To consider options to set aside additional NHB to fund more affordable homes as part of the budget process in 2016/17 (paragraph 3.6.8).
6. To agree the Strategic Plan for 2015/16 (Appendix 5).
7. To note that the financial outlook over the MTFP has been extended to include assumptions for 2018/19 and a total savings target of £63m between 2016/17 and 2018/19 is the current working target (Appendix 3).
8. To note that the financial position is subject to volatility and that development's in Government policy following SR15 and their implications on MTFP planning assumptions will be monitored closely and reported back at regular intervals during the financial year as part of the budget process.

5.11 Exercise of Corporate Directors' Discretions

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

RESOLVED

1. Note the exercise of Corporate Directors' discretions as set out in Appendix 1.

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 6.37 p.m.

Mayor John Biggs
CHAIR, CABINET