

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE OVERVIEW & SCRUTINY COMMITTEE

HELD AT 7.15 P.M. ON MONDAY, 2 NOVEMBER 2015

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

Members Present:

Councillor John Pierce (Chair)	
Councillor Danny Hassell (Vice-Chair)	
Councillor Peter Golds	– Scrutiny Lead for Law Probity and Governance
Councillor Denise Jones	– Scrutiny Lead for Communities, Localities & Culture
Councillor Md. Maium Miah	– Scrutiny Lead for Resources
Councillor Oliur Rahman	–
Councillor Helal Uddin	– Scrutiny Lead for Development and Renewal
Councillor Shahed Ali	–

Co-opted Members Present:

Nozrul Mustafa	– (Parent Governor Representative)
Victoria Ekubia	– (Roman Catholic Church Representative)
Dr Phillip Rice	– (Church of England Representative)
Rev James Olanipekun	– (Parent Governor Representative)

Other Councillors Present:

Mayor
Cabinet Member for Culture
Cabinet Member for Environment
Cabinet Member for Health and Adult Services
Cabinet Member for Resources
Deputy Mayor and Cabinet Member for Community Safety
Deputy Mayor and Cabinet Member for Education and Children's Services
Mayor

Apologies:

Councillor Mahbub Alam	–
Councillor Amina Ali	– Scrutiny Lead for Adult Health and Wellbeing

Officers Present:

Stephen Adams	– (Finance and Resources Manager, Communities Localities & Culture)
Luke Addams	– (Interim Director of Adult's Services)
Simon Baxter	– (Acting Service Head, Public Realm, Communities Localities & Culture)
Kate Bingham	– (Service Head, Children's and Adults Resources)
Mark Cairns	– (Senior Strategy, Policy and Performance Officer)
Melanie Clay	– (Director, Law Probity and Governance)
Zena Cooke	– (Corporate Director, Resources)
Stephen Halsey	– (Corporate Director Communities, Localities & Culture)
Ekbal Hussain	– (Financial Planning Manager, Chief Executive's and Resources)
Judith St John	– (Head of Ideas Stores, Communities Localities & Culture)
Debbie Jones	– (Interim Corporate Director, Children's Services)
Ali Khan	– (Political Adviser to the Independent Group Office)
Paul Leeson	– (Finance Manager, Development & Renewal)
Jackie Odunoye	– (Service Head, Strategy, Regeneration & Sustainability, Development and Renewal)
Terry Parkin	– Interim Service Head, Learning & Achievement
Nasima Patel	– (Service Head Children's Social Care, Children's Services)
Matthew Vaughan	– (Political Adviser to the Conservative Group)
Anthony Walters	– (Transformation Manager, Children's and Adults Resources)
Graham White	– (Interim Head of Legal Operations)
Corporate Director, Children's Services	– (Political Adviser, Conservative Group)
Corporate Director, Communities, Localities & Culture and Head of Paid Service	– (Deputy Service Head, Planning and Building Control, Development & Renewal)
Corporate Director, Resources	–
Director, Adults' Services	–
Director, Law, Probity and Governance	– (Technical Project Officer, Adult Services)
David Knight	– (Senior Democratic Services Officer)

1. APOLOGIES FOR ABSENCE

There were no apologies for absence.

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 5th October, 2015 were approved as a correct record of the proceedings.

4. REQUESTS TO SUBMIT PETITIONS

Nil items

5. UNRESTRICTED REPORTS 'CALLED IN'

Nil items

6. SCRUTINY SPOTLIGHT

Nil items

7. UNRESTRICTED REPORTS FOR CONSIDERATION

7.1 Annual Procurement Report

This report provided the annual procurement expenditure analysis for financial year 2014-15 and an update on the Authority's performance against key objectives set out within the Councils Procurement Policy Imperatives.

The Committee noted the:

1. Annual procurement expenditure analysis;
2. Achievements against the Procurement Policy Imperatives;
3. Authority's position on central records of all supplies, services and works contracts and progress made in improving third party expenditure under management; and
4. Current issues, future challenges and planned improvements to further transform Council's procurement activities.

7.2 Petition Review

It was noted that the terms of reference of the Overview & Scrutiny Committee provided that in respect of the Council's petition scheme, power is delegated to the Committee to undertake a review if a petition organiser feels the authority's response to his/her position was inadequate. In her request for a review (appendix 2 referred), the petition organiser states that despite submitting a petition to Council in January 2014, no formal response has been received and an explanation and a response is sought.

The Committee heard that:

In the autumn of 2008 following a lengthy campaign from leaseholders and Tower Hamlets Leaseholders' Association, the Council agreed a Motion to commission an independent audit of leasehold service charges to ensure these were accurately calculated in accordance with best practice, and to ensure that the charges levied were fair, accurate and transparent.

A Project Steering Group (PSG) including leaseholders and cross-party Members was set up to oversee the audit. The PSG were responsible for drawing up the brief for the audit, and oversaw the procurement process, with leaseholder representatives and Councillors on the selection panel which appointed Beaver & Struthers.

The audit by Beaver & Struthers was conducted in early 2010, and an Action Plan containing 54 service recommendations was developed. A Leasehold Action Plan Working Group (LAPWG) was established, comprising leaseholders and THH/LBTH staff, which met regularly to monitor detailed progress against the action plan and recommend completions to PSG for sign-off.

THH carried out work to implement all of the recommendations, with a projected delivery date of March 2013. The PSG signed off 9 of the recommendations as completed, 15 recommendations were considered by PSG but not signed off, and 32 were completed but not yet considered by PSG.

PSG did not discuss or consider any of the outstanding recommendations after October 2012, as leaseholder members on the LAPWG disagreed with THH over changes to service charge calculations which were introduced in September 2012. The changes introduced were to:

- allocate all overheads to front line services (in line with best practice and with Beaver & Struthers' recommendations.); and
- charges in relation to caretaking to blocks and estates based on time spent, again in line with Beaver & Struthers' recommendations.

The Council proposed to resolve this impasse by commissioning a further independent review to assess the progress made in implementing the 54

points of the action plan. This review was undertaken by Housing Quality Network and completed in February 2015. Again, leaseholder representatives from PSG were fully involved in the selection process to appoint Housing Quality Network. The review by HQN found:

- Good progress made on the B&S recommendations;
- Not all the recommendations ready for sign off;
- Evidence of improvements in the engagement structure;
- A wider range of opportunities offered to leaseholders;
- Increased leaseholder satisfaction; and
- Relationships of THH and Tower Hamlets Council and PSG needed to improve.

An audit by Mazars Audit was also commissioned by Mayor Rahman to look at:

- the on-going costs reduction process being undertaken by THH; and
- ensure that the costs charged to leaseholders are statute and lease compliant, transparent, and good value.

This audit was completed in June 2014. The audit, based on sample testing, found that:

- The calculation methodology used in 2011/12 and 2012/13 was lease compliant and accords with sound accounting practice.
- No breaches of statute were noted; and
- The apportionment of costs based upon the GV method was sound and consistently applied across the various direct cost headings.

The findings of the HQN Review, the Mazars Audit supported the actions of THH and the Council in the implementation of the action plan and the way in which service charges are apportioned and calculated.

A Council Motion was passed on 22nd January 2014 calling on the Mayor to:

- Explain why only 5 out of 54 of the recommendations arising from the B&S audit have so far been implemented;
- Explain why an 17 per cent "Overhead" has been introduced across most Heads of Charge;
- Justify the Service Level Agreements between LBTH and THH and explain what action is being taken to ensure best value;
- Instruct THH to publish a report detailing how the actions it has taken since October 2010 to achieve "savings" have resulted in reduced costs to council leaseholders and tenants.

These matters were all covered in detail within the content of the HQN Review and the Mazars audit referred to above, however PSG has not met since April 2014 to conclude this matter.

A PDQM at Council on 26th November 2014 asking for an update on the action taken received a response from the then Lead Member for Housing indicating that both the review and audit are due to be reported to PSG and the recommendations will then be finalised and form the basis of service improvements. Again, the findings of the independent review and the audit report have yet to be reported to PSG, which has not met since April 2014 pending direction from the former Lead Member. The main points of the discussion maybe summarised as follows:

The Committee:

- I. Heard that the auditors had, had access to the reports and paperwork that they required;
- II. Heard that Leaseholders felt that it was not possible to identify what is a completed exercise and they had not seem all the paperwork to conclude if the audit was as thorough as indicated;
- III. Agreed to ask the Corporate Director of Law Probity and Governance to review the action taken so far;
- IV. Agreed that officers produce a report for consideration by this Committee which would provide recommendations on how the Committee should deal with this issue, and include those reports produced by HQM and Mazars.

The Overview and Scrutiny Committee reviewed the petition and the Council's response to that petition and following consideration of the evidence presented.

Agreed:

1. To ask the Corporate Director of Law Probity and Governance to review the action taken so far; and
2. That officers produce a report for consideration by this Committee which provides recommendations on how the Committee should deal with this issue, and includes the reports by HQM and Mazars.

7.3 Strategic Resources and Planning 2016-17 to 2018-19

The Overview and Scrutiny Committee (OSC) noted that good financial practice requires that regular reports be submitted to Council/Committee setting out the financial position of the Council against budget, and its service performance against targets. The regular reporting of the Strategic Performance and Corporate Revenue and Capital Budget Monitoring should assist in ensuring that Members are able to scrutinise officer decisions. The main points of the discussion may be outlined as follows:

Review of Child and Adolescent Mental Health Services (CAMHS)

OSC agreed:

- To request a more detailed business case on these proposals, including the risks; and

Realignment and funding of efficiencies in early years provision

OSC agreed:

- To request more details.

Charging for community Social Care services

OSC agreed:

To request a more detailed business case and calculations/assumptions for charging;

Review of Day Services for Older People

OSC agreed:

- To request further information on how spending on Mayfield House is split between in-house and commissioned services;

Improving focus on reablement for social care users

OSC agreed:

- To request a briefing on the assumptions underpinning this proposal.

Review of high cost Learning Disability care packages

OSC agreed:

- To request details of any risks of a reduced/poorer service resulting from these proposals.

Saving Money by Reducing or Stopping Sunday Idea Store Opening

OSC agreed:

- To request a more detailed business case on these proposals.

Renegotiation of Current Leisure Services Contract

OSC agreed:

- To request a more detailed business case on these proposals.

Discontinue the Incontinence Laundry Service

OSC agreed:

- To request a more detailed business case on these proposals, including the risks.

Alternative funding arrangement for Toilets

OSC agreed:

- To request a more detailed business case on these proposals.

Alternative Waste Disposal Solution

OSC agreed:

- To request a more detailed business case on these proposals.

Review of Streetcare and Streetworks Team

OSC agreed:

- To request a more detailed business case on these proposals.

Reduction in Blackwall Tunnel Approach Cleansing

OSC agreed:

- To request a more detailed business case on these proposals.

Increased productivity and commercialisation of planning and building control services

OSC agreed:

- To request information on the limits of what could be funded from potential increased income generated by these proposals.

Other requests

OSC agreed:

- To request the total budget and breakdown of spend on the council's Public Health service;
- To request information on the impact of loss of the Independent Living Fund.

8. VERBAL UPDATES FROM SCRUTINY LEADS

Agreed to defer consideration of this item until the next meeting.

9. PRE-DECISION SCRUTINY OF UNRESTRICTED CABINET PAPERS

Agenda Item 5.6 – Safeguarding Children Board Annual Report 2014-15

Committee asked for details

1. of attendance at the Board to see who is being engaged;
2. on what the Board is doing to scrutinise themselves and their partners;
3. on what is being done to ensure learning is filtering down to staff and that they are aware of how the Board is improving their practice/learning; and
4. of the costs to LBTH of the Board Chair and how is this bench marked.

Agenda Item 5.7 - Safeguarding Adults Board Annual report 2014-15

Committee asked for details

1. of attendance at the Board to see who is being engaged;
2. on what the Board is doing to scrutinise themselves and their partners;
3. on what is being done to ensure learning is filtering down to staff and that they are aware of how the Board is improving their practice/learning; and
4. of the costs to LBTH of the Board Chair and how is this bench marked.

Agenda Item 5.13 – Transparency Protocol: A Transparent Mayor, an Open Council

Committee asked for details regarding the publication of data under the Transparency Code. He wanted to know if Tower Hamlets had reached the standard of three stars in relation to the openness of the formats that we use to publish data, as per the LG Transparency Code.

Reponses to the above are set out in the attached **Appendices A; A1 and A2**

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 10.15 p.m.

**Chair, Councillor John Pierce
Overview & Scrutiny Committee**