

# OVERVIEW & SCRUTINY COMMITTEE

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Tuesday, 12 May 2015 at 7.15 p.m., Room C1, 1st Floor, Town Hall,  
Mulberry Place, 5 Clove Crescent, London, E14 2BG

## SUPPLEMENTAL AGENDA PACK ONE

### Item 7.4 - Annual Scrutiny Report

**This meeting is open to the public to attend.**

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# Agenda Item 7.4

Non-Executive Report of the:  <b>Overview &amp; Scrutiny Committee</b>  12 <sup>th</sup> May 2015	 <b>TOWER HAMLETS</b>
<b>Report of:</b> Service Head for Corporate Strategy & Equality	<b>Classification:</b> Unrestricted
Overview & Scrutiny Committee Annual Report 2014/15	

<b>Originating Officer(s)</b>	<b>Mark Cairns</b>
<b>Wards affected</b>	All wards

## REASONS FOR URGENCY

The report was not published five clear days in advance of the meeting. The Chair of the Committee may, however, take the view that the report should be considered at the meeting on 12 May 2015, as it is the last meeting of the municipal year and the Committee as currently composed will be best placed to consider the content of the report.

### 1. SUMMARY

- 1.1 The Annual Report summarises the work of the Overview & Scrutiny Committee and the Health Scrutiny Panel in the 2014-15 municipal year, and is presented to the Committee for its approval prior to being presented to Council.

### 2. RECOMMENDATIONS

- 2.1 The Overview & Scrutiny Committee is recommended to:-

- Agree the report to be submitted to Council, and
- Authorise the Service Head for Corporate Strategy and Equality to amend the report after consultation with the chair of the committee prior to submission to Council.

### **3. BODY OF REPORT**

- 3.1 Under the council's Constitution, the Overview and Scrutiny Committee (OSC) must report annually to Council documenting the committee's activities during the past year, including on the work of the Health Scrutiny Panel.
- 3.2 This report sets out the various elements of this work in 2014/15, arranged by the portfolios held by lead members. This takes in its scrutiny of council and partners' services (including through dedicated "spotlights"), its contributions in reviewing budget proposals, and its work in leading improvement and policy development work, through reviews and challenge sessions. It also covers scrutiny of the executive's decision-making, through pre-decision questions, and call-ins by other members.
- 3.3 Additionally, the committee takes petitions from members of the public, and these are also included.

### **4. COMMENTS OF THE CHIEF FINANCIAL OFFICER**

- 4.1 This report provides a summary of the work carried out by the Overview and Scrutiny Committee during 2014-15.
- 4.2 There are no financial implications arising from this report.

### **5. LEGAL COMMENTS**

- 5.1 Article 6.03 (d) of the Council's constitution provides that the Overview and Scrutiny Committee must report annually to Full Council on its work. The report submitted to Council following this consideration will fulfil that obligation.

### **6. ONE TOWER HAMLETS CONSIDERATIONS**

- 6.1 Reducing inequality, promoting community cohesion and building community leadership are all central to the work of the Overview and Scrutiny Committee. Where individual pieces of work have been undertaken by the committee (such as reviews, challenge sessions and reports back to Council), these have noted any One Tower Hamlets considerations.

### **7. BEST VALUE IMPLICATIONS**

- 7.1 The Overview and Scrutiny Committee is an important part of the council's performance management framework, helping it to secure continuous

improvement as required under its Best Value duty through its scrutiny of budget proposals and service performance.

7.2 The committee has also provided input into the council's Best Value action plan, which supports its efforts to meet its duties in this regard.

**8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

8.1 There are no implications arising from this report.

**9. RISK MANAGEMENT IMPLICATIONS**

9.1 There are no implications arising from this report.

**10. CRIME AND DISORDER REDUCTION IMPLICATIONS**

10.1 There are no implications arising from this report.

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**Local Government Act, 1972 Section 100D (As amended)  
List of "Background Papers" used in the preparation of this report**

<b>Brief description of "background papers"</b>	<b>Name and telephone number of holder and address where open to inspection.</b>
None	N/A

**11. APPENDICES**

Appendix 1 – Annual Report

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**TOWER HAMLETS COUNCIL  
OVERVIEW & SCRUTINY  
COMMITTEE**

**ANNUAL REPORT 2014/15**

## Chair's Foreword

- 1.1 In well-functioning authorities, overview and scrutiny serves as an important check and balance on the power of the executive and a complementary route for the development and refinement of policy. It is now widely acknowledged that in terms of governance, Tower Hamlets has not been a well-functioning authority for some time. Nonetheless, the Overview and Scrutiny Committee has worked hard this year to discharge our responsibilities in a way that would make a tangible difference.
- 1.2 The reviews that members have lead over the past twelve months have addressed policy issues that, whilst often being niche, nonetheless have a real impact on the lives of our residents. The quality of those reviews - detailed, focussed investigations that drew widely on the expertise of residents and partners - has been exceptional and the policy changes they have delivered will have wide and lasting impact if implemented as promised.
- 1.3 Our scrutiny has been equally substantial and focussed (if wide-ranging), challenging poorly made executive decisions, scrutinising proposed mayoral decisions in a way that the Cabinet has signally failed to do and taking evidence from a range of Cabinet members and partners. The latter has been particularly effective, with a focus this year on the borough's housing providers. We had long sessions with One Housing Group about their poor performance across the borough, with Tower Hamlets Homes about the problems leaseholders have faced with major works bills and with Old Ford about the breakdown of their repairs services. Real changes in attitude, process and planning have been secured as a result, although the committee is in no doubt about the challenges that still remain.
- 1.4 Where we have been less successful has been in our ability to effect real change in the town hall. Despite warm words from the former Mayor and others about their willingness to engage with O&S, it has been a continual struggle to carry out this most basic of functions.
- 1.5 The former Mayor promised to attend twice this municipal year to report on his running of the council. As a result, the committee didn't call him to give evidence at other meetings, wishing as we did to work in a cooperative manner with him and his Cabinet. That trust was betrayed when he failed to attend a single meeting, cancelling a matter of hours before four scheduled appearances and refusing a further two invitations (including one that had been made for a date when his office had told us he was available). The committee had asked the council to start judicial review proceedings - the only mechanism open to us - to force him to appear and account for his running of the council. JR is expensive and cumbersome and should not be the only route open to O&S committees to get a mayor to attend: the government should change the law on this.
- 1.6 Likewise the independence of the committee has come under serious pressure as we have undertaken our investigation into the sale of Poplar

Town Hall. From commissioning the independent external advice that is the committee's constitutional right, to publishing our report (held up now for over four months), the committee's role as part of this council has neither been adequately recognised nor supported. As the council works with commissioners to address the serious governance and cultural failings in the council, the role of O&S must be protected and strengthened.

- 1.7 Finally the sheer scale of the issues that we have had to consider means that we have not been able to give sufficient time to some of the things that we have considered and have been unable to look at some issues altogether. Whilst I believe councillors' time should largely be spent in the community rather than the town hall, I think the work of O&S as the council rebuilds itself will be so important that it cannot be done by a single committee. The council should give serious consideration to establishing a number of directorate-specific sub-committees, in the model of the Health Scrutiny Panel, that can carry out the detailed issue-by-issue work that the main committee simply doesn't have time to do. It's a system that works well in other authorities.
- 1.8 It has been a busy and productive year for O&S and, despite its inherent limitations, I'm proud of the work we've done and the difference we've made. I'd like to thank the officers who support the committee for their advice, careful stewarding and incredibly hard work. They do a great job in often difficult circumstances, and do so with little resource after the cuts to their team. The next Mayor should reconsider this.
- 1.9 I hope going forward that the committee will only get more effective.

Cllr Joshua Peck  
Chair, Overview and Scrutiny Committee

## **Introduction to Overview and Scrutiny**

- 2.1 The Overview and Scrutiny Committee (OSC) exists to hold the executive leadership and other local partners to account. Its statutory duties include reviewing and scrutinising decisions made or actions taken by the council's executive, health services (carried out in Tower Hamlets by the Health Scrutiny Panel), and crime and disorder partners, and reporting back on these to the executive or, as appropriate, Council. They also require the committee to report to the executive or, as appropriate, Council on matters affecting the area or residents.
- 2.2 The committee also reviews strategic documents which comprise the Budget and Policy Framework, and contributes to policy development through scrutiny reviews and one-off "challenge sessions".

### **Membership**

- 3.1 Following the council and mayoral elections in May 2014, a new Overview and Scrutiny Committee was appointed by Council. The members and their roles have been as follows:
  - Councillor Joshua Peck (Chair)
  - Councillor John Pierce (Vice-chair and Scrutiny Lead for Communities, Localities and Culture)
  - Councillor Abjol Miah (Scrutiny Lead for Resources)
  - Councillor Asma Begum (Scrutiny Lead for Adults, Health & Wellbeing)
  - Councillor Denise Jones (Scrutiny Lead for Children, Schools & Families)
  - Councillor Peter Golds (Scrutiny Lead for Law, Probity and Governance)
  - Councillor Dave Chesterton (Scrutiny Lead for Development & Renewal)
  - Councillor Mahbub Alam
  - Councillor Muhammad Ansar Mustaqim.
- 3.2 In addition, the committee's co-opted members are:
  - Nozrul Mustafa (Parent Governor Representative)
  - Rev James Olanipekun (Parent Governor Representative)
  - Victoria Ekubia (Roman Catholic Diocese Representative) and
  - Dr Phillip Rice (Church of England Diocese Representative).

There remains a vacancy for a Parent Governor Representative.

### **Overview and Scrutiny Work Programme 2014-15**

- 4.1 At the beginning of this municipal year, the Overview and Scrutiny Committee was provided with detailed briefings on key information, developments and issues for each of the portfolios. The committee undertook a session facilitated

by officers to set its work programme for 2014-15, as did the Health Scrutiny Panel. In considering topics to include, members took into consideration factors such as:

- The extent of public and member interest
- The significance of any budgetary implications
- Current performance and user satisfaction
- Any scrutiny already planned or being carried out by other bodies
- New developments or changes, and
- The committee's ability to influence outcomes.

4.2 Following this discussion a proposed list of scrutiny review topics and methods of scrutiny was agreed. Below are some of the highlights from the work programme so far this year, for each portfolio. The work of the Health Scrutiny Panel is considered in a separate section below.

### Resources

- 4.3 The committee played a key role in scrutinising and challenging the 2015/16 budget and Medium Term Financial Plan, and this work is considered elsewhere in this report. In relation to in-year spend, members received and considered quarterly reports on the budget, raising with officers their concerns about recurring re-profiling of capital expenditure. They also questioned the overspend in adult social care, and sought assurances that the council would protect itself against the "shunting" of costs from the health sector to social care.
- 4.4 The council's approach to contract specification and management formed the basis of a challenge session in January 2015, which resulted in recommendations aimed at achieving greater community benefits and improving contract management.
- 4.5 The committee considered the 2015-18 Mainstream Grants Programme, and highlighted the need to place greater emphasis on outcomes relating to supporting residents in to employment. It also sought assurances that the process would prevent unsuitable groups from being eligible for grant funding.

### Children Schools and Families

- 4.6 The committee examined major changes brought about by the new national curriculum, which is being transformed at Key Stages 2 and 4. This is affecting course content, assessment and reporting, and the committee was keen to learn about the readiness of schools within the borough to deliver it. Members paid particular attention to the implications of the reduction in the compulsory sex education element of the curriculum; and how the changes overall would affect children for whom English is not their first language. The implications for the council's role in supporting schools were also investigated, as was the potential effect on inspections by Ofsted.

- 4.7 The quality of literacy provision across the borough's early years, school and adult learning settings formed the basis of a scrutiny review. The review group made a number of recommendations around undertaking and drawing on research, the use of effective programmes and interventions, and enhancing the skills and knowledge of practitioners, amongst others.
- 4.8 In addition to the above, the committee also questioned the Tower Hamlets Safeguarding Children Board (LSCB) Annual report for 2013-14 (considered elsewhere in this report).

#### Communities Localities and Culture

- 4.9 The committee held a challenge session on improving cycling safety in Tower Hamlets, with reference to the London Cycling Campaign's Ward Asks, which were adopted by many candidates at the 2014 election. Recommendations were agreed by the committee concerning ensuring the priority given to cycling, the facilities offered to cyclists, and making cycling routes safer.
- 4.10 Enforcement activity against drugs-related anti-social behaviour was the focus of a review. This sought to help encourage residents to report ASB, clarifying how they can do this effectively and aiming to ensure that they are informed of the response to reports.
- 4.11 The committee considered the proposed extension of the Substance Misuse Strategy to April 2016 prior to its presentation to full council. Members stressed the importance of engaging effectively with social landlords, ensuring substance misuse was tackled adequately in primary schools, and focusing on street drinking.

#### Development and Renewal

- 4.12 Three challenge sessions were focused on this area this year. The first examined the implications of conservation areas for extensions to family homes, and how restrictions on permission could be loosened without negatively affecting the character of these areas. The second investigated the quality of social housing funded through section 106 agreements, and made recommendations as to how registered providers and developers could work together more effectively to ensure that specifications for the materials used in such housing better reflects the intensive use which it must bear.
- 4.13 A further challenge session on town centre policy and delivery took place this year, and is scheduled to report to the first meeting of the committee in the new municipal year. In addition, the committee received a progress update on the implementation of recommendations made in a 2013 scrutiny review into removing barriers to youth employment.

- 4.14 Members examined the proposals and procurement programme for the development of the new Civic Centre at Whitechapel, and questioned some of the assumptions upon which options considered had been based. The committee took the opportunity to express concerns about the cost, timescales and the deliverability of the project, as well as its effect on the borough. It also raised issues with the sequencing of events in the process so far.
- 4.15 In addition, the committee considered new Community Infrastructure Levy charging schedule, indicating the need for greater involvement of members than had been the case in the past for section 106 payments. Members also explored the current arrangements in place for the discharge of the homelessness duty, expressing a strong desire to see a social lettings model pursued.

#### Law, Probity and Governance

- 4.16 The work of the council in implementing the recommendations of the Electoral Commission following the local, mayoral and European elections in June 2014 has been an important part of the programme of work undertaken by the committee, featuring on the agenda of two meetings this year. The committee examined proposed arrangements for polling and counting in the 2015 Parliamentary election, as well as training of staff, and avenues available to enable reporting of wrongdoing.
- 4.17 In reviewing the quarterly reports on performance, members scrutinised performance which was below target or had deteriorated in a range of areas, including street cleanliness, delivery of affordable homes, GCSE results, and several crime and antisocial behaviour indicators. They also scrutinised the Complaints and Information Governance Annual Report, indicating where they thought there were gaps in the information reported (particularly around contact that is counted as “service requests” rather than as complaints by the council).
- 4.18 The committee also examined the use of covert investigation under the Regulation of Investigatory Powers Act, ensuring that surveillance was being properly declared and documented.

#### Petitions, call-ins, references and pre-decision scrutiny

- 4.19 There have been seven executive decisions called in this year:
- Drug and Alcohol Team (DAAT) commissioning intentions
  - Contract payment for Direct Support Services
  - Savings proposals relating to the reconfiguration of sexual health services
  - Right to light – City Pride and Island Point developments.

- Allocations scheme 2015 and lettings plan, and
  - New Civic Centre Whitechapel – procurement proposal and programme.
  - Recommendation to sell 296 Bethnal Green Road by auction instead of by informal tender
- 4.20 Of the first five above which had been considered at the time of writing, all were referred back for further executive consideration, and two resulted in a change of decision by the Mayor. These were the contract for direct support services (now to be re-tendered), and the allocations scheme and lettings plan. The last two had not been considered at the time of writing.
- 4.21 Council also referred two other matters to the committee, which were related to each other. The first was the council's decision to seek judicial review of the Best Value inspection instructed by the Secretary of State for Communities and Local Government, which was rejected by the court. While the committee expressed concern at the fact that this decision had been taken by the Interim Monitoring Officer using delegated authority and without wider member input, it accepted that it had been reasonable, given the advice provided by the authority's counsel as to the likelihood of success.
- 4.22 The second was in relation to the findings of the above inspection, and the committee chose to focus its attention on the improvement planning stemming from these. Members scrutinised the plans drafted by the council in response to the statutory instructions issued by the Secretary of State, aiming to address weaknesses identified by the inspectors. In particular, the committee emphasised the need for member input into these, and to address issues of organisational culture which they felt were vital to the success of the plans. These plans were subsequently amended in light of the committee's feedback.
- 4.23 In addition, the committee has spent considerable time this year investigating and developing recommendations in response to a reference from Council in 2013/14 requesting an investigation into the 2011 sale of the old Poplar Town Hall. Members considered the findings of an investigation commissioned by the statutory officers and carried out by Mazars, and supplemented this with the background evidence informing Mazars's report. It also gathered further evidence itself, both in committee and in writing, and plans to report its findings to Council as soon as possible.
- 4.24 The committee wishes to put on record its concern at the length of time it has taken to progress the publication of its report into the sale of Poplar Town Hall (10 months to date) and the delays the Committee faced in obtaining the independent advice it requested as part of its investigation.
- 4.25 The committee heard a petition from residents representing Save Our Nurseries Tower Hamlets, which was critical of the way in which consultation for the council's budget proposals had been undertaken, and of specific proposals regarding the closure of two council nurseries. On the



basis of this, the committee asked urgent pre-decision questions of the executive regarding these closures and the notice given to residents. This proposal was subsequently removed from the budget.

- 4.26 The committee also held the executive to account with pre-decision questions in relation to the Mayor's Education Allowance, where it queried the criteria for applicants, the overspend on this budget in 2013/14 year, and how this would be prevented in 2014/15. Further, members asked about the lack of publicity surrounding a Serious Case Review on the death of a child in 2013/14, and in particular the lack of information provided to members and the council's Corporate Parenting Steering Group. As a result, the Corporate Director undertook to write to every Councillor about any future SCR.

#### Budget and Policy Framework

- 4.27 The committee has a mandatory consultation role on all items which are the responsibility of Council to agree, rather than the executive, and these make up the Budget and Policy Framework. This year, these have included the Budget, and the Community Plan.
- 4.28 Committee members participated in two informal briefing sessions with officers and the Lead Member for Resources late in 2014 in order to help form their views and input into the plans for savings in the council's Medium Term Financial Plan, and the 2015/16 budget. They thoroughly scrutinised the impact on users, cost-effectiveness, and deliverability of the proposals, including the closure of council nurseries which, as noted above, was withdrawn.
- 4.29 The committee then held meetings in January and February to consider and challenge the published draft Budget, making a series of recommendations to the executive to reconsider proposals which it felt disproportionately affected residents or did not represent long-term value for the borough.
- 4.30 The Committee was disappointed that, despite this substantial and constructive engagement in the process the former lead member for resources and the former Mayor declined to take on board any of the Committee's comments or concerns.
- 4.31 The committee also reviewed an early draft of the Community Plan and highlighted areas it felt required further development for the final draft. An updated version of the plan will be considered by the committee before it is considered by Council in the summer.

#### Scrutiny spotlights

- 4.32 Many meetings feature “spotlight” sessions, where a particular policy area or portfolio is the focus, with the relevant cabinet member, council officers or partners in attendance to answer the committee’s questions. This year, the committee took a particular interest in social landlords, with separate spotlights for the Chief Executives and senior representatives of One Housing Group, Tower Hamlets Homes, and Circle Housing Old Ford. The committee made special arrangements in order to facilitate these, including a dedicated extraordinary session for THH, and holding the Circle session at St Paul’s Old Ford, so that tenants and leaseholders could more easily attend and view proceedings.
- 4.33 The new police Borough Commander also attended for a spotlight, to discuss with members policing priorities, and relationships between the police and ward councillors.
- 4.34 Despite his commitment at the beginning of the municipal year to attend Overview and Scrutiny twice during the year, the former Mayor failed to attend a single meeting, cancelling or refusing invitations on a total of six occasions. Prior to him ceasing to be Mayor, the Committee requested that the council start judicial review proceedings to cause him to attend.

#### **HealthScrutinyPanel2014-15**

- 5.1 2014-15 was been another year filled with significant changes to health services both locally and nationally. The Health Scrutiny Panel faced the challenge of understanding the implications of these policy changes, scrutinising local services undergoing change, and ensuring local providers consider the views of local residents, address health inequalities and support the wellbeing of local people. The focus has been on changes in Barts Health NHS Trust, the commissioning of local health services, and residual changes from the Health and Social Care Act 2012.

#### Barts Health – Financial Turnaround and Improvement Plan

- 5.2 The panel continued to monitor Barts Health’s Financial Turnaround and Improvement Plan through the Inner East London Joint Health Scrutiny Committee (INEL JHOSC). Barts provided INEL JHOSC with a comprehensive update on its improvement plan, management of its assets, and its savings programme.

#### Commissioning of Community Health Services (CHS)

- 5.3 The current CHS contract, which is with Barts Health, will expire in September 2015. The CCG decided to delay the tendering of the contract in order to bring the specification in line with local work on integration. The service will be retendered with revised specifications and as this contract represents

approximately £40 million of local NHS services, the panel will continue to monitor the procurement process.

#### Provision of GP services and changes to GP payment

- 5.4 The closure of GP services and the impact of NHS England's changes to the minimum practice income guarantee were considered by the panel, as well as feedback from the CCG and local GP services. Members of the panel have written a joint letter, through INEL JHOSC, to NHS England expressing their concern of the current situation around GP payments and the possible closure of some GP services in Tower Hamlets, Newham and Hackney. The panel will continue to monitor the situation at both a national and local level.

#### Transforming Services Changing Lives

- 5.5 Tower Hamlets, Newham and Waltham Forest CCGs, in collaboration with Barts Health, have embarked on a programme to develop and enhance integrated services across the Barts Health footprint, and proposals were presented to the panel. The programme will focus on health in general and not just health services, as well as finding more productive ways of addressing challenges to health care. Members have requested that they be updated about any proposal developments and be consulted during the programme implementation period.

#### Support for carers

- 5.6 The Care Act 2014 imposed a new duty on the council to provide support for carers. The panel received an update from officers on how the carers' needs will be assessed. A challenge session on carers' support is scheduled, and will report in the next municipal year.

#### **Conclusions and looking ahead to 2015-16**

- 6.1 Over the last year, the Overview and Scrutiny Committee has been able to address through its work programme many priorities and challenges facing the council, partners and residents.
- 6.2 While the next committee will plan its work programme, some elements of this year's programme will carry over to the next municipal year, including the reports of the challenge sessions into town centre policy and delivery, and support for carers. A reference from Council to review performance and attainment at primary school level will be passed on to the new committee, and items on safeguarding, and following up on the social lettings model, are also planned.

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