

Meeting of the

CABINET

Wednesday, 7 June 2006 at 5.30 p.m.

SUPPLEMENTAL A G E N D A – SECTION ONE

VENUE

Committee Room, 1st Floor, Town Hall, Mulberry Place, 5 Clove
Crescent, London, E14 2BG

Members:

Councillor Denise Jones (Chair)	– (Leader of the Council)
Councillor Sirajul Islam (Vice-Chair)	– (Deputy Leader of the Council)
Councillor Helal Abbas	– (Lead Member, Children's Services)
Councillor Ohid Ahmed	– (Lead Member, Regeneration, Localisation and Community Partnerships)
Councillor Anwara Ali	– (Lead Member, Equalities, Employment and Skills)
Councillor Abdul Asad	– (Lead Member, Older People and Health)
Councillor Rupert Bawden	– (Lead Member, Housing and Development)
Councillor Joshua Peck	– (Lead Member, Resources and Performance)
Councillor Lutfur Rahman	– (Lead Member, Culture)
Councillor Abdal Ullah	– (Lead Member, Cleaner, Safer, Greener)

[Note: The quorum for this body is 3 Members].

If you require any further information relating to this meeting, would like to request a large print, Braille or audio version of this document, or would like to discuss access arrangements or any other special requirements, please contact:

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LONDON BOROUGH OF TOWER HAMLETS

CABINET

WEDNESDAY, 7 JUNE 2006

5.30 p.m.

- 7 .1 Chair's advice of Key Issues or Questions in relation to Unrestricted Business to be considered – Tabled Papers (Pages 1 - 4)**

- 7 .2 Any Unrestricted Decisions "Called in" by the Overview & Scrutiny Committee**
 - 7.2(1) Report “Called in” Disposal of Cheviot House (CAB 016/067) (Pages 5 - 8)**

- 12.4A Accommodation Strategy Implementation Addendum Report(CAB 015/067)**
(Pages 9 - 12)

- 12 .6 Cabinet Sub Bodies 2006/2007 Terms of Reference and Membership (CAB 013/067)**
Tabled Motion (Pages 13 - 14)

LONDON BOROUGH OF TOWER HAMLETS CABINET 7 JUNE 2006

Questions and comments from the Overview and Scrutiny Committee held on Tuesday 6 June 2006 in relation to unrestricted business for consideration

Agenda Item 8.1

Proposed Drinking Control Zones - Bethnal Green and Whitechapel (CAB 001/067)

1. The report refers to public urination and defecation being some of the anti-social behaviour this measure is designed to control. Are there any plans to restore the public toilets at the entrance to Museum Gardens to reduce this problem? If so, what security measures will be introduced to prevent the toilets becoming a site of anti-social behaviour?
2. As individuals with alcohol abuse problems are vulnerable people and it is recognised in the report that alcohol misuse is often related to homelessness and mental health problems, will there be steps taken to ensure that persons affected by any proposed DCZ are given appropriate support for these associated problems? How will service providers in these areas be incorporated into the policing of the DCZ and is there any additional funding to ensure the support available will be provided?

Agenda Item 9.1

Supporting People Strategy 2005 - 2010
(CAB 002/067)

1. What are the details of the changing service provision that is resulting in the cost savings: e.g. what are the 11 services that are not strategically relevant, what are the services that have been identified for remodelling and what services are being decommissioned? (para 4.4 Objective 4)

Agenda item 9.2

Integrated Health and Social Care Services for Adults of Working Age in Tower Hamlets - Future Governance Arrangements (CAB 003/067)

1. Regarding the Partnership agreement with the East London and City Mental Health NHS Trust (ELCMHT) what contingency plans are being considered should the current S31 arrangement be terminated before 31/12/2006 or if it is decided not to enter into a joint management agreement with ELCMHT at the conclusion of the current temporary extension of the S31 agreement?

Agenda Item 10.1

Rich Mix Cultural Centre (CAB 004/067)

1. The Rich Mix Cultural Centre has had stringent conditions placed on the provision of live and recorded music, the sale and consumption of alcohol and the movement of patrons throughout the site due to concerns over noise disruption to local residents. Are there any plans to improve the noise insulation of the building and if so, how much will these cost?
2. What is the impact of these restrictions on revenue and use of the building?

What areas of the Rich Mix Cultural Centre are currently awaiting approval for public use from the London Fire and Emergency Planning Authority, and what impact is this having on overall use, and the revenue of the Centre?

Agenda Item 12.4

Accommodation Strategy Implementation
(CAB 011/067)

1. Is it the policy of the Council to centralise services at fewer sites around the Borough and has an impact assessment or consultation with the public been undertaken to ensure that all residents will be able to access services? (para. 3.3)
2. Were Council staff consulted about the target of achieving 25% reduction on workstations and the use of hot desking and, if so, what were the results of the consultation? (para 3.5)
3. How does the accommodation strategy meet the anti-poverty principle whereby council services should be more accessible, if the policy also aims to consolidate council services in a few sites (especially when key decision-making is concentrated in one part of the borough)? (para 9.1)

Agenda Item 12.5

Award of Contracts for Grocery Provisions,
Ready Prepared Frozen Meals, Fruit and
Vegetables, School Milk and Fresh and
Frozen Meat (CAB 012/067)

1. Does the tendering process for contracts of grocery provisions etc take into account the distance from which raw materials are sourced? If so, what are the criteria for use of local produce and local processing arrangements considered in the tender document? (Para. 14.1)

Councillor Motin Uz-Zaman
Chair
Overview and Scrutiny Committee
7 June 2006

LONDON BOROUGH OF TOWER HAMLETS
CABINET 7 JUNE 2006

Advice and comments from the Overview and Scrutiny Committee held on Tuesday 6 June 2006 in relation to Budget and Policy Framework Matters

Agenda Item 12.2

The Council's Strategic Plan 2006 - 2011:
Year 1 Implementation Plan (2006/07) and
Best Value Performance Plan (CAB 009/067)

The Committee noted and endorsed the Council's Strategic Plan. It raised some concerns which it feels that Cabinet should consider to improve the effectiveness of the Strategic Plan and its reporting to members. These are:

1. The Strategic Plan should make clear how past challenges in delivering the Plan have informed and influenced the action, targets and milestones proposed for 2006- 2011. This is important in demonstrating how the Council applies lessons learnt from past practice and works to continuously improve its services.
2. Consideration should be given to rationalising the targets in the Strategic Plan or at least better highlighting those that are critical to overall success.
3. Greater emphasis should be given to profiling the targets over the full four years of the Strategic Plan. There was an over emphasis on Year One targets and the Committee felt that often in Years Two to Four did not show rates of progress being sustained.
4. In the Annual Report, where targets were not met, then fuller explanations should be provided as to the reasons and the action proposed to improve performance.

Councillor Motin Uz-Zaman
Chair
Overview and Scrutiny Committee
7 June 2006

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Agenda Item 7.2

Committee CABINET	Date 7 th June 2006	Classification Unrestricted	Report No. CAB 206/056	Agenda Item No. 7.2
Report of: Overview And Scrutiny Committee – 6 th June 2006 Originating Officer(s): Tim Hogan		Title: Report “Called In” – Disposal Of Cheviot House Ward(s) affected: Whitechapel		

1. SUMMARY

- 1.1 The attached report of the Corporate Director (Development & Renewal) was initially considered by the Cabinet on 5th April, 2006 but has been “Called In” for further consideration by Councillors Rew, Ludlow, O’Flaherty, Phelps and Sanderson in accordance with the provisions of Part 4 of the Council’s Constitution.
- 1.2 The Cabinet’s provisional decisions in respect of the Corporate Director’s report were considered by the Overview and Scrutiny Committee on 6th June 2006.

2. RECOMMENDATION

- 2.1 That Cabinet considers the recommendations of the Overview and Scrutiny Committee as set out in paragraph 6.4.

LOCAL GOVERNMENT ACT, 2000 (SECTION 97)

LIST OF “BACKGROUND PAPERS” USED IN THE PREPARATION OF THIS REPORT

Brief description of “background paper”

Name and telephone number of holder and address where open to inspection

Overview and Scrutiny Committee
Agenda 06/06/06

Tim Hogan
020 7364 4850

3. BACKGROUND

3.1 The Cabinet after considering the attached report provisionally agreed: -

1. That in principle the disposal of Cheviot House, to East Homes Limited, as shown as Appendix A to the report (CAB 206/056), be agreed on the basis of:
 - (a) A 125 year building lease on a full repairing and insuring basis;
 - (b) A permitted use being solely for the provision of a C2 residential institution, subject to overage conditions; and
 - (c) Vacant possession to be provided by 31st March 2007.

4. "CALL IN" REQUISITION

4.1 The reasons advanced in the "Call In" requisition are set out below: -

1. The Council must act and behave in accordance with its legal and constitutional duties. It does not matter whether the item under the challenge or the interrogation or the questioning is a sale or any other instrument/document; the basic principles are the same. The call-in members feel that overly advantageous terms have been granted the buyer and disposal has been rushed through before the end of this administration to suit yet another timetable of East Thames Housing Association.
2. No alternative options for the disposal of the building have been explored. There is no justification given for the lack of exploration of alternative options for the disposal of this valuable asset.
3. The call-in Members acknowledge the recommendation 2.1 (iii) "In the event of any changes in the residential user clause of C2 residential institution class the Council will receive 62.5% of the overage arising from the change in user clause."

The call-in members do not believe that this is robust enough. We are concerned that the lease does not include sufficient deterrents to prevent a change of use or prevent the further sale of this building to a commercial developer.

4. The two reports on this disposal note that Cheviot House is surplus to the Council's requirements as part of the Office Accommodation Strategy. Paragraph 5.2 (Agenda Item 10.4) notes "However, there are as yet no plans approved for the relocation of either the One Stop Shop or the Local Housing Office and to achieve the agreed timeframe plans to do this will need to be prepared and implemented quickly."

By selling Cheviot House we will be losing a popular, accessible and well-used community facility. The call-in members would like to see the reallocation of the

Council's functions currently housed at Cheviot House spelled out in more detail in the report.

5. The report "anticipates" that East Thames will return the land at Weavers Fields to the Council. The Call-in members feel that this should be stipulated within the contract. To do otherwise is to act in a favourable way towards this particular organisation.
6. Agenda Item 10.4 states that Cheviot House is preferred location because "It is surrounded by predominantly commercial and retail rather than residential users." It fails to recognise that there are residents and a Girls School nearby that may be affected by this development. Indeed, call-in members have already been contacted by local people who are concerned that young people will be brought in and dumped in the locality.

The call-in members think that these concerns should be addressed before the disposal goes ahead. The call-in members are concerned that a lack of investigation by the Council into the potential effects of this new development could constitute grounds for a legal challenge.

5. ALTERNATIVE COURSE OF ACTION

- 5.1 In accordance with the Committee's procedures, the "Call In" Members have provided an alternative course of action for consideration.

That the disposal of Cheviot House is delayed pending

1. Investigation of the impact of a Foyer on the local residents and the community.
2. That residents within the vicinity of the building are consulted.
3. An options paper on the alternative uses available in the current market for the disposal of Cheviot House.
4. Further detailed information on the Accommodation Strategy and an outline of where the present services will be relocated.
5. A clause is inserted in the agreement that states that the disposal is dependent on the buyer having already returned the land at Weavers Fields back to the Council.

6. CONSIDERATION OF THE "CALL IN"

- 6.1 Councillor Tim O'Flaherty, for the Call-in Members, posed a series of questions setting out his concerns regarding the disposal of Cheviot House, the relocation of existing services, consultation with the local community, the relationship with the Council's Accommodation Strategy, together with the relationship with the Weavers Field Site.
- 6.2 Emma Peters, Corporate Director Development and Renewal responded on behalf of the Cabinet in detail on the points raised.

6.3 Committee members put detailed questions to Ms Peters on a number of related issues including the Council's Accommodation Strategy, consultation with the local community, history of the scheme, the role of the planning process and other related issues and financial aspects of the scheme.

6.4 After a wide ranging debate, the Overview and Scrutiny Committee agreed:

That Cabinet be requested to agree that the disposal of Cheviot House be delayed pending a further report to its meeting on 5 July 2006 in order to give further consideration to available options and to the following concerns:

- the need to address local public concerns on the proposal to establish a Foyer Scheme
- the need to determine, in consultation with the local community, what will happen to the current services provided from Cheviot House in order to retain local access to One-Stop Shop and other public services
- the need to clarify the rationale for the selection of Cheviot House
- the need for a more detailed explanation of the commercial and financial transactions in the proposed disposal to make sure it best serves the interest of the Council and local communities.

Agenda Item 12.4

COMMITTEE Cabinet	DATE 7 th June 2006	CLASSIFICATION Unclassified	REPORT NO CAB 015/067	AGENDA ITEM NO. 12.4A
REPORT OF Director of Resources ORIGINATING OFFICER(S) Martin O'Regan (Corporate Premises Manager)		TITLE: Accommodation Strategy Implementation Addendum Report WARDS AFFECTED: n/a		

1. **SUMMARY**

1.1 This is the supplementary report to the Cabinet paper No. 011/067, agenda item 12.4, and reports on the evaluation and recommendations of the officer Evaluation Panel in relation to the award of contracts for :

- i) Capital Works for a number of key administrative buildings in support of the Council's overall Accommodation Strategy;
- ii) The Quantity Surveying services to advise the Council on management, costs and quality aspects of the main Capital Works contracts referenced to above.

2. **RECOMMENDATIONS**

Cabinet is recommended to authorise the Director of Resources to:

- 2.1 Award the Capital Works Contract (Design & Build) for Mulberry Place, 62 Roman Road and Gladstone Place to the preferred bidder, Morgan Lovell, in accordance with their tender dated 24th May 2006.
- 2.2 Award the Capital Works Contract (Design & Build) for Sutton Street Depot to the preferred bidder, Lakehouse Construction Limited, in accordance with their tender dated 24th May 2006.
- 2.3 Award the Quantity Surveying Contract Management contract for the Capital Works Contracts (Design & Build) above to Nisbet LLP, in accordance with their tender dated 19th May 2006.

LOCAL GOVERNMENT ACT, 2000 (SECTION 97)

LIST OF BACKGROUND PAPERS USED IN PREPARATION OF THIS REPORT

Brief description of background paper

Name and telephone number of holder and address where open to inspection

Capital Works Programme files

Martin O'Regan ext. 4472

3. **BACKGROUND**

3.1 The background to this report is set out in detail in paper CAB 011/067, elsewhere on this agenda at item 12.4.

4. **THE TENDER EVALUATION**

4.1 Two tender opportunities were advertised in accordance with the process set out in Report No. 011/067. These opportunities were for:-

- i) Capital Works contract for the buildings identified in the Accommodation Strategy, and
- ii) The Quantity Surveying contract, to advise the Council on the implementation of the Capital Works contract.

4.2 With regard to the Capital Works contract, tenders were returned by all seven shortlisted contractors invited to tender. One contractor withdrew during the tender process leaving six tenders and following further consideration, one contractor was subsequently excluded due to the weakness of their submission. This left five tenders to be evaluated.

4.3 The Tender Evaluation Panel comprising officers from Facilities Management, Procurement and an independent Quantity Surveyor, was established. The Panel reviewed all tenders against a pre-determined and published set of tender evaluation criteria. The criteria included price, flexibility of design, value for money, warranties and ability to meet Council pre-determined deadlines.

4.4 The tender process allowed for each of the tenders for the identified buildings to be evaluated separately. The submissions provided a specific detailed breakdown for each site to enable a focussed review of each that would best meet the Council's requirements.

It should be noted only two companies provided tenders for the Sutton Street Depot.

4.5 Following the evaluation process described in the main report, the Evaluation Panel concluded that after adjustments, the lowest tender from Morgan Lovell best meets the Council's requirements and represents the best value for money. It is proposed, therefore, to award the Capital Works Contract for Mulberry Place, 62 Roman Road and Gladstone Place to Morgan Lovell.

4.6 The Evaluation Panel considered that of the two tenders for works to Sutton Street Depot and concluded that after adjustments, the lowest tender from Lakehouse Construction best meets the Council's requirements and represents the best value for money; it is proposed, therefore to award the Capital Works Contract for Sutton Street Depot to Lakehouse Construction.

4.7 The Tender Evaluations Panel undertook complex assessments of each proposal from each bidder. Although compliant submissions were made, in some instances tenderers provided a high number of qualifications that would have impacted upon the final cost of the contract.

- 4.8 With regard to the second tender opportunity, tenders were returned by four Quantity Surveyors invited to tender for Quantity Surveying Services to the Council. Four tenders were received.
- 4.9 Whilst six companies expressed an interest in this tender, only four tenders submitted full tenders for consideration by the Evaluation Panel .
- 4.10 The Tender Evaluation Panel comprising of Facilities Management and Procurement was established. The Panel reviewed the four tenders against a pre-determined and published set of tender evaluation criteria. Those criteria included price, value for money, industry experience and the ability to meet pre-determined deadlines for the Quantity Surveyor.
- 4.11 Following the evaluation process, described in the Report No. 011/067, item 12.4 of the agenda, the Evaluation Panel considered that Nisbet LLP best meets the Council's requirements and represents the best value for money. It is proposed, therefore, to award the Quantity Surveying Services Contract to Nisbet LLP.

5. **COMMENTS OF CHIEF FINANCIAL OFFICER**

- 5.1 This supplementary report details the results of the tender process for a Capital works Contract and a Quantity Surveying Management Contract for the Accommodation Strategy, and recommends the award of the Capital Works Contract to Morgan Lovell for works at Mulberry Place, 62 Roman Road and Gladstone Place, and to Lakehouse Construction Limited for works at Sutton Street Depot.
- 5.2 The report also recommends the award of the Quantity Surveying contract to Nisbet LLP.
- 5.3 The tender submissions were evaluated by a panel against a set criteria, which determined that the Council receives best value in terms of price, quality and the ability to meet pre-determined deadlines.
- 5.4 The tendered prices are in line with financial provision contained in the Accommodation Strategy Financial Plan and subject to post tender negotiation, it is not anticipated that prices will impact on the financial objective of achieving a net annual saving of £2 million from the Accommodation Strategy.

6. **CONCURRENT REPORT OF ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES)**

- 6.1 The procurement process leading up to the selection of the preferred bidders for the respective works and services contracts was in accordance with the Council's Procurement Procedure Rules and the requirements of the Public Contracts Regulations. Cabinet may authorise the award of the respective contracts to the successful bidders as identified and recommended in this report.

7. **EQUAL OPPORTUNITIES IMPLICATIONS**

7.1 Each of the tender submissions included an equal opportunities statement in support of the organisations' equal opportunities policies. There are no equal opportunities issues arising from the award of these contracts.

8. **ANTI POVERTY IMPLICATIONS**

8.1 There are no anti-poverty implications as a result of the award of these contracts.

9. **RISK MANAGEMENT IMPLICATIONS**

9.1 The appointment of independent Quantity Surveyors as specialist advisers to the Council for the duration of the Capital Works Contracts will protect against and monitor the risks which might arise to the Council. The Accommodation Programme Management Board will monitor the delivery of these contracts.

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

10.1 All of the tender submissions included the respective organisation's commitment to sustainability and the environment. There are no implications arising from the award of these contracts.

11. **EFFICIENCY STATEMENT**

11.1 The award of these contracts supports the Council's overall aims of efficiency by the improvements that will be achieved within the locations identified as part of the Administrative Buildings portfolio.

Tabled Motion
Agenda item 12.6

CABINET
7TH JUNE 2006

Agenda item 12.6 Cabinet Sub – Bodies 2006/2007 Terms of Reference and Membership

Motion from Councillor Jones

I Move that

- 1) We agree recommendation 2.1 as contained in the report.

“That Cabinet note the establishment of the Sub-Bodies, to discharge functions on behalf of the Cabinet, with Terms of Reference, Membership and Quorum as set out in paragraphs 4.1.1 and 4.1.2 of the report”.
- 2) That we agree the appointments set out below to the Grants Panel for the Municipal Year 2006/2007.

Grants Panel

Members

Councillor	R. Bawden	(Chair)
Councillor	H. Abbas	
Councillor	O. Ahmed	
Councillor	A. Ullah	
Councillor	A. Ali	

Deputies

Councillor	D. Jones
Councillor	S. Islam
Councillor	J. Peck
Councillor	A. Asad
Councillor	L. Rahman

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