

LONDON BOROUGH OF TOWER HAMLETS

RECORD OF THE DECISIONS OF THE CABINET

HELD AT 5.35 P.M. ON WEDNESDAY, 8 SEPTEMBER 2021

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

Members Present in person:

Mayor John Biggs
Councillor Rachel Blake (Deputy Mayor and Cabinet Member for Adults, Health and Wellbeing)
Councillor Sabina Akhtar (Cabinet Member for Culture, Arts and Sports)
Councillor Candida Ronald (Cabinet Member for Resources and the Voluntary Sector)

Members In Attendance remotely:

Councillor Asma Begum (Statutory Deputy Mayor and Cabinet Member for Children, Youth Services, Education and Equalities)
Councillor Mufeedah Bustin (Cabinet Member for Social Inclusion (Job Share) – as part of wider Social Inclusion and Public Realm portfolio)
Councillor Kahar Chowdhury (Cabinet Member for Public Realm and Highways (Job Share) – as part of wider Public Realm and Highways portfolio)
Councillor Asma Islam (Cabinet Member for Environment and Planning)
Councillor Sirajul Islam (Cabinet Member for Community Safety)
Councillor Motin Uz-Zaman (Deputy Mayor and Cabinet Member for Work, Economic Growth and Faith)

Other Councillors Present at the meeting:

Councillor Kabir Ahmed (Leader of the Aspire Group)
Councillor Peter Golds (Leader of the Conservative Group)

Other Councillors In Attendance remotely:

Councillor Mohammed Pappu (Chair of the Overview and Scrutiny Committee)

Officers Present:

Vicky Clark (Divisional Director for Growth and Economic Development)
Keith Daley Interim Head Substance Misuse
Janet Fasan (Director of Legal & Monitoring Officer)
Sharon Godman (Director, Strategy, Improvement and Transformation)
Adrian Gorst (Divisional Director, IT)

Hitesh Jolapara	(Interim Divisional Director, Finance, Procurement & Audit)
Mehmet Mazhar	(Business Manager, Highways & Traffic Management)
Thomas Parsonage	(Estate Surveyor)
Denise Radley	(Corporate Director, Health, Adults & Community)
Melanie Rose	(Head of IT Office)
Ann Sutcliffe	(Corporate Director, Place)
James Thomas	(Corporate Director, Children and Culture)
David Tolley	(Head of Environmental Health and Trading Standards)
Will Tuckley	(Chief Executive)
Matthew Mannion	(Head of Democratic Services, Governance)

1. APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of:

- Councillor Danny Hassell (Cabinet Member for Housing)
- Kevin Bartle (Interim Corporate Director, Resources) for whom Hitesh Jolapara (Interim Director of Finance, Procurement and Audit) was deputising.

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS AND OTHER INTERESTS

There were no Declarations of Disclosable Pecuniary Interests.

3. UNRESTRICTED MINUTES

DECISION

1. That the unrestricted minutes of the Cabinet meeting held on Wednesday 28 July 2021 be approved and signed by the Chair as a correct record of proceedings.

4. ANNOUNCEMENTS (IF ANY) FROM THE MAYOR

See the minutes.

5. OVERVIEW & SCRUTINY COMMITTEE

5.1 Chair's Advice of Key Issues or Questions

Pre-Decision Scrutiny Questions, and officer responses, were tabled in respect of Agenda Items:

- 6.2 – Integrated Housing and Support Mental Health Schemes
- 6.5 – 3-11 Vallance Road – Disposal
- 6.6 – 122 Back Church Lane – Disposal (further details on this response would be provided in due course)

These were considered during deliberation of the relevant Agenda Items.

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

Nil items.

6. UNRESTRICTED REPORTS FOR CONSIDERATION

6.1 Reset Adult substance Misuse Service Contract Direct Award

DECISION

1. To agree the variation of the: Reset Outreach and Referral Service delivered by Providence row (contract HAC5384 A) in line with the report.
2. To agree the variation of the: Reset Recovery Support Service delivered by Change, Grow, Live (CGL) (contract HAC5384 C) in line with the report.
3. To note that the Corporate Director will agree the variation of the Reset Treatment Service delivered by CGL (contract HAC5384 B) in line with the report in accordance with the delegation under the constitution. This has been agreed at the Directorate Leadership Team on 26th July 2021.
4. To note the contents of this report as an update on recent grants made to LB Tower Hamlets substance misuse service.

Action by:

CORPORATE DIRECTOR, HEALTH, ADULTS AND COMMUNITY (D. RADLEY)

(Head of Service, Substance Misuse (K. Daley))

Reasons for the decision

The purpose of this report is to seek permission to allow the variation of the current contract for Reset Treatment Service following receipt of central government grant funding.

The increased funding from the grants for the Reset Treatment Service (contract HAC5384) amounts to £247,716 which is 7.75% of current contract value (£3,197,953) and therefore below the threshold for the need of Cabinet approval.

For Cabinet to agree a variation of contract of the Reset Recovery Support Service and Reset Outreach and Referral Service following receipt of central government grant funding.

The increased funding from the grants for the Reset Recovery Support Service (contract HAC5384) amounts to £253,000 (£113,000 + £140,901) which is 34% of the current contract value, and therefore needs Cabinet approval.

The increased funding from the grants for the Reset Outreach and Referral (contract HAC5384) Service amounts to £163,765 which is 100% of the contract value and therefore needs Cabinet Approval.

Alternative options

Option One - To implement a variation on each of the contracts as described within this document – Preferred option

Option Two - To implement a competitive tender process for single provider to deliver an ETE Support Service; Rough Sleeping Treatment Service; Rough Sleeper Outreach and Navigation Service

Option Three – To decline one or any of the central government grants.

See paragraph 5 of the report for more details.

6.2 Integrated housing and support Mental Health schemes: Direct Award of contract to Look Ahead Care and Support

The Pre-Decision Scrutiny Questions and officer responses were noted.

DECISION

1. To agree to the direct award of a single contract with Look Ahead Care and Support, for a period of 7 years (3+2+2); with a maximum value of £1,080,891 annually and £7,566,237 for the life of the contract.
2. To authorise the Corporate Director Health Adults and Communities in consultation with legal services to enter into such appropriate agreements as are required to give effect to the recommendation detailed in paragraph 2.1 of the report.
3. The contract to bring together the provision of integrated housing and support for the schemes delivered at Commercial Road; Coventry Road and Tabard Court.

Action by:

CORPORATE DIRECTOR, HEALTH, ADULTS AND COMMUNITY (D. RADLEY)

(Interim Senior Mental Health Commissioner (I. Fernandez-Grandon))

Reasons for the decision

The supported accommodation pathway provides support to those with a diagnosed mental illness. Support is tailored to their needs, with a focus on moving on to live independently in the community. This is a local, viable

alternative to higher cost residential care placements.

Alternative options

Alternative Options include:

- Competitive procurement.
- Direct Award of individual contracts.
- Reduce our local number of supported accommodation contracts to exclude these scheme.

More details are set out in the report.

6.3 Service Action Plan: Improving Air Quality in Tower Hamlets

DECISION

1. To note the report of the Environment scrutiny challenge on “examining the Council’s Air Quality Commitments and impacts on residents’ health outcomes” and agree the service action plan in response to the report recommendations.

Action by:

CORPORATE DIRECTOR, PLACE (A. SUTCLIFFE)

(Director of Public Realm (D. Jones)

(Head of EHTS (D. Tolley)

Reasons for the decision

The Council’s constitution requires the Executive to respond to the recommendations from the OSC.

The attached report is the Executive’s response to the scrutiny recommendations arising from the Environment scrutiny challenge session’s “examination the Council’s Air Quality Commitments and impacts on residents’ health outcomes”.

Improving air quality within the Borough remains one of the key priorities for the council.

Alternative options

To take no action. This is not recommended as the Environment scrutiny challenge session provides an evidence base to demonstrate that the council has drawn on and has applied best practice to the activities that have been undertaken to improve air quality in the Borough.

6.4 Highways & Street Lighting Works Contract Tender

DECISION

1. To agree that contract set out in this report may proceed to procurement in October 2021.
2. To confirm that contract set out in this report can proceed to contract award by the Corporate Director, Place, after Tender.
3. To authorise the Director of Legal to execute all necessary contract documents in respect of the award of contract referred to in recommendation 2 above.

Action by:

CORPORATE DIRECTOR, PLACE (A. SUTCLIFFE)

(Head of Highways & Transportation (M. Mazhar))

Reasons for the decision

It is a requirement of the Council's 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".

Alternative options

The contract strategy, as outlined in this report, for the procurement of the Highways & Street Lighting Works Contract meets the requirements of the Constitution and provides full visibility of the planned contracting activity in this regard, therefore no alternative proposals are being made.

6.5 3 – 11 Vallance Road - Disposal

The exempt appendices were noted.

The Pre-Decision Scrutiny Questions and officer responses were noted.

DECISION

1. To declare that 3-11 Vallance Road is surplus to requirements.
2. To note the bids received to date (Exempt Appendix A to the report) and authorise the Corporate Director Place to accept the most advantageous offer for the disposal (freehold or long leasehold) for the site.
3. To authorise the Director of Legal to enter into any legal agreements considered necessary to give effect to the recommendations listed.
4. To note the Equalities Impact Assessment.

Action by:**CORPORATE DIRECTOR, PLACE (A. SUTCLIFFE)**

(Interim Head of Asset Management (S. Shapiro)

(Interim Asset Manager (T. Parsonage)

Reasons for the decision

The site has been derelict since 1968 when the Council was first served with a Dangerous Structures Notice by the Building Control department. Various attempts have been made to redevelop in the intervening 50 years and several feasibility studies have been completed including the most recent feasibility study involving neighbouring landowners TFL and Longwood Properties Limited.

Scaffolding inspections are currently carried out monthly to ensure the safety of the building and to flag any health and safety issues. The cost of managing and maintaining the scaffolding is draining resources as the building continues to deteriorate and become more of a health and safety concern.

When the site is disposed of it is envisaged that the buyer will re-develop the site into commercial, residential, or potentially mixed-use accommodation. This will provide the Council with a capital receipt and possibly provide new homes and/or employment space in the borough.

The site is currently being marketed for disposal. The council has received 8 offers and two offers have been received which are in excess of the other offers. Gerald Eve have reverted to both parties seeking best and final offers, however this may still require further clarification of the proposal. This is because the Council will require clarity on any overage provisions that are proposed, as well as resolving any outstanding title matters relating to Unit 11 Vallance Road which are summarised below.

1.4 a Unit 11 – The unit has a lease which has expired and tenant benefits from 1954 Act rights to renew. The current occupation of the unit is not clear and therefore a S40 and hostile S25 Notice are due to be served. There are also reports of antisocial behaviour and loud music.

Reasons to declare the site surplus and market are due to the cost of maintaining a dilapidated building and the health and safety issues posed. High cost of scaffolding inspections and security. Limited funding for the individual or joint redevelopment of the site and planning constraints in the area.

Alternative options

Continue with further feasibility work and enter into another Cost Collaboration Agreement (CCA) with the neighbouring parties (TFL and Longwood Properties Limited). This will require more time and resources to reach the next stage of feasibility at a cost of approximately £300k.

Leave the site vacant and derelict which will continue to attract anti-social behaviour and represent a health a safety liability to the Council.

Re-develop 3-11 Vallance Road independently. This will require a large number of resources in order to re-develop the site independently and the result will be to only improve 1/3 of the overall area considering the adjacent landowners may leave their sites undeveloped.

6.6 122 Back Church Lane – Disposal

The Pre-Decision Questions were noted.

DECISION

1. To agree authority to market and dispose of the vacant 122 Back Church Lane site on a freehold basis
2. To authorise the Corporate Director, Place to determine the best route to market.
3. To note the Equalities Impact Assessment.

Action by:

CORPORATE DIRECTOR, PLACE (A. SUTCLIFFE)

(Interim Head of Asset Management (S. Shapiro)

(Interim Asset Manager (T. Parsonage)

Reasons for the decision

The site has not been used for any purpose for over 10 years and therefore the site should be held surplus and disposed to benefit from a capital receipt.

External consultants Copping Joyce have reviewed the architect's feasibility study and provided 8 different development scenarios. It is anticipated that the sale price will exceed £1m and therefore the freehold disposal will require Cabinet approval at the relevant time.

A planning pre-application advice meeting was held on 19.03.2021 with mixed feedback regarding the two favoured options presented to the Planning Team. Whilst consideration was given to undertaking a further pre-application exercise, Copping Joyce have advised there is no merit in achieving planning permission before the disposal and therefore the early feasibility/drawings commissioned are sufficient in order to achieve a favourable sale price.

When the vacant building is disposed of the buyer will re-develop the site into commercial, residential, or potentially mixed-use accommodation. This may provide new homes for the Borough and/or employment space.

Alternative options

The existing building could be converted into residential accommodation. However, the relatively low number of units achievable (4-6) and high cost of conversion means the project is unviable.

Leave the site vacant and unused for the foreseeable future. The vacant site results in expensive security provisions and is likely to attract anti-social behaviour.

6.7 Town Hall IT Infrastructure

The exempt appendix was noted.

DECISION

1. To approve the competitive procurement of IT hardware, software and services to enable the move to the Town Hall in 2022.
2. To authorise the Interim Corporate Director Resources to enter into such agreements as are necessary to give effect to the matters referred to in this report subject to the Council's Procurement Procedures.

Action by:

INTERIM CORPORATE DIRECTOR, RESOURCES (K. BARTLE)

(Director of IT (A. Gorst))

Reasons for the decision

The Town Hall IT infrastructure is an essential part of the new Town Hall and without it we will not be able to relocate staff or services.

Competitive procurement allows us to secure the best technology at the most advantageous price.

Early approval mitigates against the risk of delays due to Brexit, the pandemic and shipping issues. It also allows suppliers to plan ahead and may secure lower pricing than would be available at shorter notice.

Alternative options

It may be possible to procure the necessary hardware, software and services through existing suppliers and contracts. This is not recommended as we may not secure the best technology at the most advantageous price without competition between suppliers.

If we do not start procurement in the early Autumn we may not have essential IT services in place and the move to the new Town Hall may be delayed and a "rush-job" nearer the time is likely to be more expensive.

6.8 IT Recurring Contracts

The exempt appendix was noted.

DECISION

1. To approve the proposed procurement of:
 - a) Northgate housing, rents and benefits application support and hosting, starting from 01 April 2022 for 3 years, through a direct award or via a Crown Commercial Service (CCS) framework, aligning this with the wider housing and revenues project that has recently been approved and is commencing now to gather requirements and will take a considerable time get to the tender stage, award, implementation, and transition.
 - b) Bell Mitel/Wavenet telephony solution starting from 01 May 2022 for 3 years, through a direct award or via the Network Services 2 Framework.
 - c) The renewal of 18 further recurring IT contracts each with a total contract spend below £189K for direct renewal routes or via a procurement framework as applicable.
2. To authorise the Divisional Director of IT Service to award the 20 new contracts referred to above. The total annual value of these contracts is £1.682M and their lifecycle value over next 3-5 years with extensions is £5.307M.

Action by:

INTERIM CORPORATE DIRECTOR, RESOURCES (K. BARTLE)

(Director of IT (A. Gorst))

Reasons for the decision

Introduction – This section will outline the imperatives to pursue the recommended routes.

Funding - For all contracts in the scope of this paper, funding has been approved by the Corporate Director of Resources as part of the IT revenue budget forward plan, including indexation.

The Council's Bell Mitel/Wavenet telephony solution - contract expires in April 2022. In the absence of capital funding or the resources to run a tender and project manage a transition from one supplier to another makes renewal of the current via a framework the least risky option. This service is a critical piece of infrastructure for communications externally and internally. With the transfer to the new Town Hall, there is a need to ensure continuity of provision for communications, both internally and externally.

The Council's Northgate application support - agreement expires in March 2022, whereas the Council's Northgate hosting agreement runs to 2024.

Capital funding has just been approved to enable a programme of work to consolidate housing, rents, benefits, and revenues systems and processes. Renewal of the Northgate support agreement to 2025 is recommended as IT Service cannot project manage procurement and a transition any earlier than before 2025 without significant risks. Without the system, the Council would not be able to fulfil its statutory obligations.

For the remaining 18 contracts - individually the total recommended term value is below £189K, the proposed approach is to renew the agreements. The intent is to use the CCS frameworks or undertake a direct award, as advised by procurement, to renew with existing suppliers to maintain business continuity until such time that a strategic plan for the change or upgrade to these solutions is approved and funded.

Alternative options

Do nothing – If the Northgate application contract is allowed to expire, this would affect the collection of housing rent and the disbursement of Council housing benefit - the latter is a statutory responsibility for the Council. Similarly, if the Bell/Mitel service is allowed to expire, this risks the Council's ability to communicate both internally and externally. The Council would not be able to fulfil its core statutory responsibilities.

Tendering through market competition – this is not a feasible option, since capital funding for tendering has only been agreed for the housing revenues and benefits project over the next three years (as detailed in point 1.4 of the report), hence the recommendation is that the Council renews the existing contract before they expire. With the telephony contract, new ways of working and Town Hall moves will inform new requirements for future tender.

A competitive exercise would likely be ineffective for both housing and telephony solutions, since for a 3-year tender typically only the existing bidders would bid, as there is huge investment needed upfront for both solutions.

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. EXEMPT / CONFIDENTIAL REPORTS FOR CONSIDERATION

Nil items.

12. ANY OTHER EXEMPT/ CONFIDENTIAL BUSINESS CONSIDERED TO BE URGENT

Nil items.

The meeting ended at 6.46 p.m.

Mayor John Biggs