

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE OVERVIEW & SCRUTINY COMMITTEE

HELD AT 7.00 P.M. ON TUESDAY, 5 JULY 2011

**ROOM M71, SEVENTH FLOOR, TOWN HALL, MULBERRY PLACE, 5 CLOVE
CRESCENT, LONDON, E14 2BG**

Members Present:

Councillor Ann Jackson (Chair)
Councillor Stephanie Eaton
Councillor Tim Archer
Councillor Helal Uddin
Councillor Rachael Saunders (Vice-Chair)
Councillor Zenith Rahman
Councillor Amy Whitelock
Councillor Sirajul Islam

Other Councillors Present:

Councillor Peter Golds
Councillor David Snowdon
Councillor Judith Gardiner
Councillor Carlo Gibbs
Councillor Alibor Choudhury

Co-opted Members Present:

Rev James Olanipekun – (Parent Governor Representative)
Canon Michael Ainsworth – (Church of England Diocese Representative)
Jake Kemp – (Parent Governor Representative)
Memory Kampiyawo – Education Representative

Guests Present:

– none

Officers Present:

Chris Naylor – (Corporate Director Resources)
Takki Sulaiman – (Service Head Communications, Chief Executive's)
Michael Keating – (Service Head, One Tower Hamlets)
Sarah Barr – (Senior Strategy Policy and Performance Officer, Strategy Policy and Performance, Chief Executive's)

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| Jill Bell | – Head of Legal Services (Environment), Legal Services |
| Lorna Spence | – (Research Officer, Strategy and Performance, Chief Executives) |
| Chris Saunders | – (Political Advisor to the Labour Group, Chief Executive's) |
| Zoe Folley | – (Committee Officer, Democratic Services Chief Executive's) |

COUNCILLOR ANNE JACKSON IN THE CHAIR

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Fozol Miah.

2. DECLARATIONS OF INTEREST

There were no declarations of interest made.

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 7th June 2011 be approved and signed by the Chair as a correct record of the proceedings subject to the correction of Councillor Fozol Miah's name in the Apologies for Absence (item 2).

4. REQUESTS TO SUBMIT PETITIONS

None received.

5. SECTION ONE REPORTS 'CALLED IN'

5.1 Report 'Called In' - East End Life Review

At the request of the Chair, Councillor David Snowdon on behalf of the Call-in Members referred to the reasons for their requisition and highlighted the main

issues that they held with the Cabinet's provisional decision regarding the East End Life Review agreed on 8th June 2011.

Councillor Snowdon considered that the decision contravened government guidance regarding the frequency of Local Authority news letters i.e. that they be no more than quarterly. The proposed frequency exceeded that adopted by the vast majority of other Local Authorities. Due to these breaches, the decision was unlawful.

Furthermore, the cost analysis in the report overlooked many key factors. For instance, the savings predicted from closure only took into account one off costs ignoring the many other savings that could be achieved by this. The section on advertising costs was unrealistic. It overlooked many key factors i.e. the savings from block purchasing, availability of discounts. No real quotes were sought. The pricing assessment overlooked many other costs, for example IT, Human Resources, accommodation costs. There were no real like for like comparisons. In view of these issues, it was requested that the costs implications of the options be properly reviewed.

Councillor Snowdon also considered that greater consideration should have been given to the other alternatives available. This could include:

- Block booking in external newspapers such as the East London Advertiser, with free copies made available in Idea Stores, libraries and other community venues. Given the current reduction in the advertising budget, buying adverts in an external newspaper could prove less expensive.
- Publishing the statutory notices in alternative newspapers and public places.
- Reducing the number of pages, as per other local authorities, with better use of space on the page.

The Committee carefully considered Councillor Snowdon's presentation. The Committee shared his concerns that the costs of the options were not fully considered.

It was also felt that further consideration should be given to the following options:

- Models adopted elsewhere, such as in Hammersmith and Fulham and Enfield. It was considered that the latter was more efficient with a smaller A4 format.
- An RSL funded option advertising choice based lettings. Consideration could be given to working with representatives from RSLs to take this forward and secure contributions and share distribution.
- Working with the East London Advertiser (Archant Limited) to obtain a more cost effective offer.

Concern was also expressed at the independence of the review since it was undertaken by the officer responsible for East End Life, rather than independent persons. This placed the officer in a difficult position. It was very important that the review was impartial. Furthermore the survey results were based on only a small number of responses, less than half of which supported the recommendation. It was therefore felt that there was inadequate consultation.

The Committee also shared the view that there needed to be a real like for like comparison in evaluating alternatives. It was also noted that only two other Councils in London had weekly newspapers. It felt that the review was rushed.

The Lead Member for Resources, Councillor Alibor Choudhury, supported by Takki Sulaiman, Head of Communications, responded to these points on behalf of the Cabinet. Councillor Choudhury reported on the reasons for the review and its aims. The review was completely impartial and independent. The review fully took into account the new Code issued by Parliament which had been adhered to as well as other options available which were found to be less viable. As indicated by the independent survey, it was clear that people wanted a paper based newsletter with high levels of support for a weekly paper. The recommendations were heavily influenced by this and would meet the savings target.

In relation to advertising, Mr Sulaiman provided a breakdown of the various sources of income. The proposals provided the best balance between cost effectiveness and the need to keep residents informed. The alternative options were fully explored but an offer of space in the East London Advertiser below the rate card had not been made.

In addition, the other newspapers explored have a relatively limited circulation so there may be problems in terms of reach should they be pursued. Innovations online were being considered and this would be used more in the future. However ownership of computers was currently lowest amongst the most vulnerable residents and there was therefore strong support for retaining a paper based newspaper. The price comparison exercise represented a true 'like for like' comparison of the costs

In considering these points, Members acknowledged the need for paper based newsletters. They reached out to a lot of people especially those not familiar with IT. It meant a great deal to people having their news in a paper format especially the housing pages. This should not be underestimated. The positive achievements of East End Life as a newsletter in publicising community news was also welcomed.

Consequently it was considered necessary to retain some form of paper based newsletter. However alternative ways of delivering this and other formats should be explored to maximize savings and efficiencies.

After considering the views and comments made by the Members presenting the call-in, the Lead Member for Resources, Councillor Alibor Choudhury and Takki Sulaiman, Head of Communications, the Committee agreed not to endorse the Cabinet's provisional decision but instead it was

RESOLVED

That the Cabinet be requested to give further consideration to their views and concerns. This was on the following basis:

- That costs of the options have not been properly explored;
- That the alternatives available have not been fully explored;
- Exploration of alternative options should have included:
- Working with East London Advertiser, or other existing local newspapers, to obtain a more cost effective offer;
- An option which is joint funded with RSLs, working with them to share the costs and distribution, in relation to advertising choice based lettings.
- Concerns about the community consultation not being widespread enough.
- Concerns about the impartiality/independence of the report given that the officer who conducted the review was placed in a difficult position, reviewing his own service.
- Members have a duty to residents to ensure they are making the right decision and further work was required to ensure we are achieving the best possible solution.

6. SCRUTINY SPOTLIGHT

Councillor Alibor Chaudhury, Cabinet Member for Resources, supported by Mr Chris Naylor Corporate Director Resources gave a presentation on the key issues, achievements and challenges arising from the Resources portfolio.

Councillor Chaudhury began by highlighting the ICT plans allaying some of the concerns around this project. (This would be considered in detail during the presentation). The aim of which was to secure a high quality IT service whilst safeguarding local employment and staff opportunities.

Mr Naylor gave a detailed presentation reviewing the first 3 years of the Resources directorate. This focused on its structure role and aims including the following points.

- Key goals: to better align the 4 services areas (Finance, ICT, Procurement, Human Resources) to provide joined up services and eradicate unnecessary duplication.
- Greater emphasis on delivery with less time on process.
- Key Improvements
- 89.5 % of customer enquiries resolved at the first point of contact.

- Only organisation in Country to achieve 100% on all 60 indicators in the Customer Service Excellence Awards.
- New on-line services for Council Tax and Parking permits.
- Efficiencies
- Departmental reduction in Service Heads.
- Introduction of e-payments systems – Requisition to Pay (RP2).
- HR improvements delivering significant savings.
- Customer satisfaction levels up.
- Reduction in employment of agency staff.
- 22% of top earners BME, up from 15% in 2006/07.
- London living wage implemented across entire workforce.
- Continuing commitment to local suppliers.

Mr Naylor referred to the savings challenges up to 2014/15. Further savings would be realised by modernising the IT, HR and finance practices at least cost and risk. The service was currently procuring a strategic resources partner to assist with delivering such improvements and to secure long term benefits and learning opportunities for staff.

In relation to the staffing implications, the changes would honour the Council's social objectives in relation to the workforce alongside delivering better services.

Mr Naylor outlined the timetable for the ICT project. The Council was currently undertaking a competitive dialogue to find a partner to facilitate the plans with an Executive decision planned for the start of 2012. Staff and trade unions were fully engaged and frequently consulted.

The Committee then asked a number of questions about the plans which focused on the following issues:

- The external partner. The need for an expert partner in assessing the bids to secure best option possible.
- The procurement process. The mechanisms for securing best deal. The timetable. Resource's role in this.
- Worries that the improvements may be finance driven. That they were merely a response to the budgetary pressures. Why weren't they embarked on sooner?
- Reasons why the trade unions were so concerned about the ICT plans. How would their concerns be allayed?
- Request that the Committee receive a proper presentation on the ICT proposals to facilitate its input in due course.

Mr Naylor then responded to each point highlighting the following:

Resources were working closely with Legal Services and relevant Council Officers to scrutinise the ICT plans and bids etc to ensure they were legal and secured the aims. The plans would also be submitted to the key governance boards (Competition, Transformation, Asset Management Board) established

to scrutinise such proposals robustly, maximising quality and value for money. These boards were chaired by the relevant Service Heads, not the Corporate Director for Resources. The plans would also be subjected to the Council's Tollgate process to provide an additional level of scrutiny.

Mr Naylor also outlined the timetable for the ICT project having recently received the initial expressions of interests. The evaluation and short listing would take place shortly with the assessment process progressing into Autumn and Christmas 2011.

It was also noted that the improvement agenda commenced several years ago and was partly initiated by the Council's Information Strategy. The plans predated the 'financial crises' and were driven by the need to improve services not solely by savings. For example a better IT system would help all services Council wide. Officers engaged frequently with the Trade Unions to consult their views on any staff implications. It was appreciated that their aim was to secure jobs and conditions during this process.

Councillor Choudhury echoed this latter point from an Executive perspective. The Cabinet continuously engaged with the Trade unions (regarding the ICT plans) and there was a positive relationship between them. As indicated above, an Executive decision would be sought in the new year regarding the ICT plans and would be submitted to scrutiny as part of the normal scrutiny process.

The Chair thanked Councillor Choudhury and Mr Naylor for their presentation.

7. PERFORMANCE MONITORING

7.1 Strategic Performance and Corporate Revenue and Capital Budget Monitoring - Year End 2010/11

Councillor Alibor Chaudhury, Cabinet Member for Resources, supported by Mr Chris Naylor Corporate Director Resources presented the performance and monitoring report for year end 2010/11

The reports measured progress in 2010/11 against the Strategic Plan, Strategic Performance Indicators and National Indicators.

In considering the report, the Committee sought further information and secured assurances from Officers regarding the following indicators:

- Older People Commissioning (Pg 97 of agenda A42). The overspend from demographic pressures. The Committee were reassured that the AHWB directorate carried out a considerable amount of monitoring of this. In general it only took a small change to cause an overspend. The demographic pressures were being incorporated in to the key plans.

- Fall in female employees at LP07 or above. (Pg 205 Strategic Plan targets).
- Number of BME staff employed at same level. (Pg 205 Strategic Plan targets). Noted that despite increase still short of target.
- The pressures from children/young people changing care packages. It was accepted that this needed to be carefully managed.
- Definition of HR consultancy. (Page 126 R92). It was noted that the HR consultants referred to here were Council Officers.
- Lunch Club Opening events June/July 2010. (Pg 192). Reasons why none of the clubs have held opening events.
- Differences between format of report and that of Annual Accounts presented to the Audit Committee. This was due to fact that the latter was prescribed by audit regulations.
- Organisations in receipt of grants from Council. Information on those not allocating the funding.
- Requested Carry Forwards and use of Reserves
 1. Potential Carbon Reduction Projects. (Pg 132 D&R). Connection to new recycling plant. Noted that idea of this was to contribute to the targets and to reduce emissions. In relation to the Carbon tax, there was some uncertainty over who would contribute to this. This would need to be confirmed.
 2. Ocean New Deal for Communities (Pg 135 D&R). The Committee heard about the plans for this funding. A desire was to maintain the same level of service.
- Progress in achieving the savings and plans for monitoring the plans.
- It was noted that even greater emphasis was being placed on budget and benefits monitoring at increased frequency. There would be more robust scrutiny of plans drawing on critical statistics. The services were doing everything they could to be aware of the issues and mitigate risks. Performance against the targets was on track as at beginning of July 2011 with good knowledge of where to focus attention.

RESOLVED

1. That the Quarter 4 Year End 2010/11 performance be noted;
2. That the Council's financial position as outlined in paragraphs 3 and 4 and appendices 1-7 of the report be noted; and
3. That the transfers to and from contingencies and earmarked reserves, as set out in the report and at appendix 4 be noted (to be tabled at Cabinet for approval).

7.2 Cabinet Four Month Forward Plan

The Committee considered the Cabinet's Forward Plan for July 2011 – October 2011.

Accordingly it was agreed that the August meeting of the Committee would focus on a number of issues in the Cabinet plan. This would include the Contracts Forward Plan, Youth Services and the Enterprise Strategy.

The Health and Wellbeing Board Arrangements were also due to be considered by the August Cabinet. As a result it was considered appropriate to explore the practice elsewhere to help develop local proposals.

7.3 Annual Residents' Survey Results 2010/11

Ms Laura Spence (Research Officer, Chief Executive's Directorate) presented the results of the Annual Residents' Survey for 2010/11. Ms Spence explained the methodology based on face to face interviews considering the views of 1,150 local residents about the Council's services and the local area. The fieldwork was completed in January and February 2011 before the implementation of the government's strategy which should be borne in mind when reading the results. (A copy of the presentation was subsequently sent to Committee Members).

Overall, the Survey presented a positive picture of continuous improvement but there were areas that still needed to be addressed.

In summary the top concerns identified included:

- Economic issues reflecting current downturn. Worries over lack of jobs rising prices and inflation.
- Crime and Anti Social Behaviour (ASB). Fear of which was still a major concern for residents, however perceptions were improving.
- Cleanliness in the public realm.
- Lack of affordable housing.
- Lack of provision for young people.

Other issues considered were:

- Council Housing and Benefits Service: Experiences of this were relatively positive with the majority of respondents rating services as satisfactory.
- Education: Satisfaction ratings with nursery and primary provision were relatively high but with secondary provision less so. In general approval for education was on a par with the London average.
- Image of Council: Strongly improving and now beginning to move ahead of other Councils.

- Tower Hamlets as a good place to live: Figure down slightly from last year but majority of those surveyed remain satisfied with local area.
- Benefits of 2012 Olympic Games: Views about the benefits have become less positive.

It was noted that the Committee's suggestions for improving the questionnaire would be taken on board.

Accordingly, Members were invited to define what exactly they would like to see looked at for to identify the most appropriate survey method.

It was also recommended that the results be read in conjunction with other contextual surveys.

The Committee should also use the findings in scrutinising Council performance.

A question and answer session then following covering the following points:

Concern was expressed at categorising 'teenagers hanging around' as ASB. It was felt that this in itself was not a problem. However in the event that this was seen as a problem, the specific reasons why it was should be defined, for example foul language, bad behaviour etc and then be renamed to reflect this rather than merely teenagers hanging around.

In response, it was noted that certain questions were national indicators. Care should be taken in changing these in the interests of continuity. There would be opportunities to review the indicators and the questionnaire at the consultation stage.

It was also felt that the questions should be made more specific to identify where people felt the fault lies – with the Council or at a national level. Was it a national or a local problem?

Assurances were also sought and secured regarding satisfaction with children's centres down by 10%. In response, it was considered that the sample for this were very small. Therefore it was not considered to represent a substantial change. No other London Boroughs had this as an indicator and therefore there were no comparative data. Should the Committee wish to monitor this area, it may be necessary to measure the indicator over a number of years to identify any problems.

Members welcomed the London wide comparisons. In reply, Ms Spence referred to the existence of a much fuller version of the survey including comparisons with other London areas for most measures.

In terms of the next stage in the process, the results would be submitted to the Directorates for close examination.

RESOLVED.

That Overview and Scrutiny Committee note the Annual Residents' Survey results and use it to inform planning for the 2011-12 work programme.

8. PRE-DECISION SCRUTINY OF SECTION ONE (UNRESTRICTED) CABINET PAPERS

The Chair advised that no pre - decision questions for the Cabinet meeting on 6th July 2011 had been received.

9. ANY OTHER SECTION ONE (UNRESTRICTED) BUSINESS WHICH THE CHAIR CONSIDERS TO BE URGENT

9.1 Inner North East London Joint Overview and Scrutiny Committee - Interim Appointments

Reasons for special circumstances and urgency agreed.

The reason being that the Joint Committee was due to meet before the next meeting of the Overview and Scrutiny Committee. Hence appointments had to be made now to enable Members to represent the Council at that meeting.

The Committee were invited to make interim appointments to the Inner North East London Joint Overview and Scrutiny Committee established following the merger of the three east London Primary Care Trusts.

It was noted that the Members would be appointed to serve at the next meeting of the Joint Committee as interim appointments. A further report would then be brought back to this Committee to appoint permanent Members of the Joint Committee for 2011/12.

Councillor Rachael Saunders as Chair of the Health Scrutiny Panel confirmed the intention the Councillors nominated to attend meetings of the new Committee if they so wished and to continue to participate at such meetings.

RESOLVED

1. That Councillors Rachael Saunders, Lesley Pavitt and Denise Jones be appointed as interim Members of the Inner North East London Joint Overview and Scrutiny Committee; and
2. That a further report be brought to the Committee to appoint permanent Members to the Inner North East London Joint Overview and Scrutiny Committee for 2011/12.

10. OVERVIEW AND SCRUTINY AWAY DAY

Noted that the Overview and Scrutiny Away day would be held on Thursday 28th July 2011.

11. EXCLUSION OF THE PRESS AND PUBLIC

The resolution to exclude the Press and Public was not adopted as there was no Section 2 'Exempt' business for consideration.

12. SECTION TWO REPORTS 'CALLED IN'

Nil items.

13. PRE-DECISION SCRUTINY OF SECTION TWO (RESTRICTED) CABINET PAPERS

Nil items.

14. ANY OTHER SECTION TWO (RESTRICTED) BUSINESS THAT THE CHAIR CONSIDERS URGENT

Nil items.

The Chair thanked those present for their attendance and declared the meeting closed.

The meeting ended at 9.40 p.m.

Chair, Councillor Ann Jackson
Overview & Scrutiny Committee