

LONDON BOROUGH OF TOWER HAMLETS

RECORD OF THE DECISIONS OF THE CABINET

HELD AT 5.35 P.M. ON WEDNESDAY, 5 DECEMBER 2012

COMMITTEE ROOM, 1ST FLOOR, TOWN HALL, MULBERRY PLACE, 5 CLOVE
CRESCENT, LONDON, E14 2BG**Members Present:**

Mayor Lutfur Rahman (Mayor)	(Mayor)
Councillor Ohid Ahmed (Deputy Mayor)	(Deputy Mayor)
Councillor Rofique U Ahmed	(Cabinet Member for Regeneration)
Councillor Abdul Asad	(Cabinet Member for Health and Wellbeing)
Councillor Alibor Choudhury	(Cabinet Member for Resources)
Councillor Shafiqul Haque	(Cabinet Member for Jobs and Skills)
Councillor Rabina Khan	(Cabinet Member for Housing)
Councillor Oliur Rahman	(Cabinet Member for Children's Services)

Officers Present:

Louise Russell	– (Service Head Corporate Strategy and Equalities, Chief Executive's)
Isobel Cattermole	– (Acting Corporate Director, Children, Schools & Families and Adult Health and Wellbeing)
Alison Thomas	– (Acting Joint Service Head, Strategy Innovation and Sustainability, Development & Renewal)
Jackie Odunoye	– (Head of Strategy, Innovation & Sustainability, Development & Renewal)
Stephen Halsey	– (Corporate Director Communities, Localities & Culture and Interim Head of Paid Service)
Chris Naylor	– (Corporate Director, Resources)
David Tolley	– (Service Head Community Service, Communities Localities & Culture)
Aman Dalvi	– (Corporate Director, Development & Renewal)
David Galpin	– (Head of Legal Services (Community), Legal Services, Chief Executive's)
Anne Canning	– (Service Head Learning & Achievement, Children's Services)
Ellie Kuper-Thomas	– (Strategy, Policy and Performance Officer - Executive Mayor's Office, One Tower Hamlets, Chief Executive's)
Ross Archer	– (Political Adviser to the Conservative Group, Chief Executive's)
Numan Hussain	– (Political Advisor to the Mayor, Executive Mayor's Office, Chief Executive's)
David Courcoux	– (Political Adviser to the Labour Group, Chief

MR L. RAHMAN (MAYOR) IN THE CHAIR

1. APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of:

- Councillor Rania Khan (Cabinet Member for Culture)
- Councillor Shahed Ali (Cabinet Member for Environment)
- Isabella Freeman (Assistant Chief Executive (Legal Services))

Action by:

ASSISTANT CHIEF EXECUTIVE – LEGAL SERVICES (I. FREEMAN)

(Committee Services Manager, Democratic Services, Chief Executive's (M. Mannion))

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTEREST

None were declared.

3. UNRESTRICTED MINUTES

The unrestricted minutes of the ordinary meeting of the Cabinet held on 7 November 2012 were presented for information.

4. PETITIONS

No petitions were received.

5. OVERVIEW & SCRUTINY COMMITTEE

5.1 Chair's advice of Key Issues or Questions in relation to Unrestricted Business to be considered

Four pre-scrutiny questions in relation to Agenda Item 6.1 (Tenancy Strategy) were **tabled** and noted.

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

Nil items.

6. A GREAT PLACE TO LIVE

6.1 Tenancy Strategy

Decision

1. To approve the final tenancy strategy attached at appendix 1.

Action by:

CORPORATE DIRECTOR OF DEVELOPMENT AND RENEWAL – (A. DALVI)

Strategic Housing Manager (M. Ling)

Reasons for the decision

There is a statutory requirement for the Council to produce a tenancy strategy as set out in the Localism Act which gained Royal Assent in November 2011.

Alternative options

The Council has no alternative options to producing a tenancy strategy as it is a statutory requirement.

The Council could adopt a strategy in different terms from that proposed. The strategy in appendix 1 is recommended for reasons set out in the report.

6.2 Olympic Impact Planning Review

Decision

1. To agree the Council should continue to participate in and support the Growth Borough (6 Host Borough) group to maintain a coordinated lobby group for investment in East London and continued focus on legacy and regeneration.
2. To agree the Council should review the promotion of Small and Medium sized businesses in the Borough with a view to improving it further
3. Note the outcomes of the Impact Planning process outlined in the report.

Action by:

INTERIM HEAD OF PAID SERVICE (S. HALSEY)

Service Head Strategy and Resources (R. Beattie)

Reasons for the decision

To ensure effective lobbying of regional and national government to secure the necessary investment in East London to deliver the promised long term economic legacy.

Alternative options

Do not participate in the collective action of the six Growth Boroughs formerly known as the 6 Host Boroughs.

Lobbying could be undertaken by the Borough on these matters in isolation. However, this offers little benefit as participation in the Growth Borough Group would not preclude independent action whilst the decision not to participate is likely to reduce the effectiveness of the Borough to bring forward local priorities to Government and could result in sub regional engagement that does not include the Borough.

6.3 Saturation Policy - Brick Lane

Decision

1. To consider and comment on the proposal for the area defined in the draft policy to become a “Cumulative Impact Zone”
2. To consider and comment on the draft policy.
3. To agree that consultation on the draft policy may commence.

Action by:

CORPORATE DIRECTOR OF COMMUNITIES, LOCALITIES AND CULTURE (S. HALSEY)

Head of Consumer and Business Regulations (D. Tolley)

Reasons for the decision

The Council has the power to consider the cumulative impact of licensed premises in any part of the Borough and make special provision for this in its statement of Licensing Policy.

The draft policy consultation will be undertaken highlighting the policy considerations in section 12 of the attached ‘Proposal for Cumulative Impact Policy for the Brick Lane area’.

Alternative options

Cabinet does have the option not to introduce a cumulative impact zone. This option may have an adverse impact on the achievement of the licensing objectives .i.e. reducing crime and disorder and nuisance.

The creation of the cumulative impact zone will enable the current licence holders to carry on their business as they currently do. The creation of the zone will require any new licence applicants to demonstrate that they will not have an adverse impact on the area and that a rebuttal presumption will stand.

7. A PROSPEROUS COMMUNITY

7.1 Establishing a Local Health Watch

Decision

1. To agree to the establishment of Healthwatch Tower Hamlets and authorise the Assistant Chief Executive (Legal Services) to enter into contract with the preferred bidder which will be known as Healthwatch Tower Hamlets.
2. To agree that the Council enter into a pan-London Framework Agreement for the provision of NHS Independent Complaints Advocacy Service and authorise the Assistant Chief Executive (Legal Services) to enter into contract with the preferred bidder.

Action by:

ASSISTANT CHIEF EXECUTIVE – LEGAL SERVICES (I. FREEMAN)

Senior Strategy, Policy and Performance Officer (A. Hoque)

Reasons for the decision

The Health and Social Care Act 2012 requires all local authorities with social care responsibilities to commission a local Healthwatch by 1st April 2013. Local Healthwatch organisations will replace Local Involvement Networks which have run since 2008. This report outlines the progress to date on establishing Healthwatch Tower Hamlets and sets out the next steps to ensure that in fulfilling these responsibilities we maximise the opportunity to improve health outcomes for local people.

The Health and Social Care Act 2012 also requires local authorities to commission a replacement NHS Independent Complaints Advocacy Service (ICAS), with effect from April 2013. At present the ICAS is a national service commissioned by the the Department of Health through 3 regional contracts. London is covered by one contract, with POhWER as the provider. This report outlines proposals for the Council to enter into a pan-London commissioning process to provide this service to ensure the current high quality service is maintained and that we maximise value for money.

Alternative options

The Department of Health has confirmed that there will be no guidance concerning the procurement of Local Healthwatch. There are two options: grant-in-aid/single tender or an open procurement. Although Healthwatch is considered to be a Part B service, which means it is exempt from the full EU Procurement Law procedure, the Council remains under an obligation to demonstrate that it has fulfilled its statutory duty to obtain best value and compliance with the EU Treaty Principles by following a transparent and open procurement process. For these reasons, it is recommended to expose the contract to the market and so a full procurement exercise is undertaken.

The Healthwatch Project Board has considered a range of options for the commissioning of the NHS Independent Complaints Advocacy Service which included: adding it to existing social care advocacy contracts; commissioning a borough based service and; joining a pan-London contract. The preferred option is based on ensuring a seamless service across London which minimises confusion for service users and therefore offers the most accessible service. A pan London service also offers strong value for money because 27 London boroughs have opted into the contract offering considerable economies of scale and a level of service which would be unaffordable if we were to procure the service on a borough basis. The current ICAS employs specialise trained advocates to support some of the most vulnerable residents many of whom have complex complaints.

8. A SAFE AND COHESIVE COMMUNITY

8.1 Reviewing the impact of the Children's Centres restructure - report of the scrutiny working group

Decision

1. To note the report.

Action by:

INTERIM CORPORATE DIRECTOR OF CHILDREN, SCHOOLS AND FAMILIES (I. CATTERMOLE)

Strategy, Policy and Performance Officer (V. Allen)

Reasons for the decision

Significant reductions in both revenue and capital budgets has meant that the council has had to seek savings from every part of the organisation. Due to the speed of the change, the national climate of service cuts, and the difficulty many Members and parents had in accessing information about the restructure, the scrutiny review group sought to assess the impact of the Children's Centres restructure.

The purpose of the review was to gain a strategic overview of the restructure of Children's Centres and to test the Council's assertion that it has impacted minimally on service users, and to ensure that this is communicated in an accessible way to parents / carers, other users and stakeholders and Members.

Alternative options

To take no action. This is not recommended as the proposed recommendations are strategic, measurable and attainable, and clearly address the council's need to better communicate its decision making with residents and Members. A timetable for delivering the recommendations has also been agreed by officers at the most senior levels of the organisation. The action plan is outlined in appendix 1.

To agree some, but not all recommendations. As outlined above all of the recommendations are achievable at little additional cost to the organisation. Although the scrutiny review group is confident all the recommendations will be addressed, there may be reasons for not accepting all of them.

9. A HEALTHY AND SUPPORTIVE COMMUNITY

9.1 Food Law Enforcement Plan 2012/13

Decision

1. To approve the Tower Hamlets Food Law Enforcement Plan 2012/2013 and Food Sampling Policy attached at the Appendix of the report.

Action by:

**CORPORATE DIRECTOR, COMMUNITIES, LOCALITIES AND CULTURE
(S. HALSEY)**

Environmental Health (Commercial) Service Manager (D. Tolley)

Reasons for the decision

Under the powers given to it by the Food Standards Act 1999 The Food Standards Agency (FSA) oversees and monitors how Local Authorities enforce food safety legislation. The FSA require all Local Authorities to produce and approve an annual plan that sets out how it is going to discharge its responsibilities.

Alternative options

If the Council take no action the FSA have the power to remove food safety responsibilities and engage another authority to deliver the service. The likely scenario would be for a neighbouring Local Authority to be seconded to provide this service.

If this did happen the Council would still have to fund the service but would lose Member and management control of the service. This sanction has rarely been used but when it has been exercised the local authorities have been named and shamed and suffered reputation damage

The Council might adopt a plan in different terms, but the content of the proposed plan is recommended for reasons set out in the report. If the Mayor were minded to consider a different plan, then further analysis may be required prior to decision.

10. ONE TOWER HAMLETS

10.1 In House Temporary Resourcing Report

Decision

1. To agree the establishment of the In-House Temporary Worker Resourcing Service (ITRES) as described in this report .
2. To agree the establishment of the Council Resourcing Team to lead and manage this Service.
3. To note outline plans for cross-directorate working between Resources and Development & Renewal to further promote employment opportunities within the Borough for local residents.

Action by:**CORPORATE DIRECTOR OF RESOURCES (C. NAYLOR)**

Service Head Human Resources (S. Kilbey)

Interim Service Head Procurement (H Sharkey)

Reasons for the decision

The existing temporary staffing contract is due to terminate in March 2013. The future model for the supply of temporary workers to the Council is currently under consideration with any new model required to be operational from April 2013

Prior to the introduction of the current contract in December 2007, the Council's annual spend on temporary workers was in the region of £35M. This annual spend was reduced during 2011/2012 to £13.3M on temporary workers and £5.6M on project staff through:

- a) Cutting of agency margins from circa 35% to 15%
- b) Standardisation of pay rates
- c) Supply chain rationalisation from over 500 to around 200 agencies
- d) Gaining much greater visibility over the deployment of agency and project workers so that control measures could be applied to challenge or displace their use

In addition, the introduction of the service has delivered the following positive results and major benefits during the contract term:

- e) A centralised system for the ordering, placement and payment of temporary workers;
- f) Complete visibility of the temporary workforce within the Council;
- g) Transparency of spend for the temporary workforce;
- h) Arms-length management of the agency supply chain;
- i) Standardised rules of engagement and regular audit of agency suppliers;
- j) Management Information detailing number and duration of assignments, billed hours, reasons for hire and various other ad-hoc reports; and
- k) A single monthly invoice to dramatically reduce both the number of transactions and the associated finance cost of paying suppliers

The Council is committed to building on the improvements and the savings realised from the current arrangement and this report describes the additional benefits to the Council of adopting the recommended model. These benefits include:

- a) Continuation of the benefits realised from the existing contract;
- b) Promoting the use of local workers¹;
- c) Promoting the use of local SMEs²;
- d) Reducing hourly cost to hiring managers of recruiting through external suppliers;
- e) Implementation of Council workforce planning objectives; and
- f) Creating a model that enables assimilation with and provides a foundation for Development & Renewal's vision to create a broader "Employment Hub" to provide local temporary staff to other organisations within the Borough

Alternative options

The alternative options considered, their implications and the reasons for their rejection are as follows:

Option 1: Continuation of existing model (through LCCF)

As the lead organisation for the *London Councils Collaboration Framework* (LCCF), the Council initiated an additional competition on the national MSTAR framework contract, resulting in a more advantageous pricing model for London Councils who expressed an interest in the procurement

The LCCF is recognised as being the best value model for the procurement of external agency contracts and will be used by the ITRES for this purpose

There is mention of local SMEs and local candidates within the LCCF, but it lacks detail on the practical application. Furthermore, implementation of such initiatives remains subject to market forces and not under full Council control

There was concern that Council objectives in this regard would not be fulfilled and the option (as a single solution for the Council) was rejected

Option 2: Full procurement exercise

There is an option not to use the LCCF and to independently procure an agency supply chain to support the Council's temporary worker requirement. An IT system to support the ordering, "timesheeting" and invoicing of temporary workers would also need to be procured

¹ On average, 1 in 6 temporary workers employed by the Council are resident in the Borough (postcodes E1, E2, E3 and E14)

² In 2011/2012, just over 1 in 6 temporary workers were employed through local SMEs, accounting for 10% of the Council's overall spend on agency staff

There are a number of reasons why this option has not been considered viable, including:

- a) Additional procurement costs (including time and resource);
- b) Additional running costs of the agency supply chain versus the LCCF;
- c) Additional internal resource required to manage the contracts with the agency supply chain and the IT provider; and
- d) Additional costs of implementation, maintenance and licensing of IT system;

There would be no advantage to the Council in proceeding with this option over the recommended solution and the minutes accompanying the previous report into the "Provision of Temporary Staff" (CAB 028/112) on 3rd August 2011 commented that: "...bringing the provision of the managed service provider function in-house would be both complex and lengthy"

Summary of alternative options

The matrix below shows the relative advantages of each option against the Council objectives (defined in the introduction to this report) measured against those achieved by the recommended solution:

Council Objectives	Option 1	Option 2	Recommended Solution
Continuation of existing contract benefits		∩	
Promoting local candidates	∩		
Promoting local businesses	∩		
Reducing cost to hiring managers		∩	
Implementing Council workforce planning objectives			

Table 4.9

In summary, neither option 1 nor option 2 allows the Council to achieve all of its objectives

10.2 Strategic Performance, General Fund Revenue Budget and Capital Programme 2012/13 Q2

Decision

1. To review and note the Quarter 2 2012/13 performance; and

2. To note the Council's financial position as detailed in sections 3 and 4 and Appendices 1-4 of this report.
3. To approve the transfer of £808,000 from the Olympic reserve set aside to fund additional expenditure as a result of the Olympics as set out at section 3.4 and 3.6 of this report.

Action by:**CORPORATE DIRECTOR OF RESOURCES (C. NAYLOR)**

Service Head Financial Risk & Accountability (A. Finch)

Service Head Corporate Strategy and Equality (L. Russell)

Reasons for the decision

The report provides performance information, including by reference to key performance indicators and the budget. It is consistent with good administration for the Council to consider monitoring information in relation to plans and budgets that it has adopted.

Alternative options

N/A

11. ANY OTHER UNRESTRICTED BUSINESS CONSIDERED TO BE URGENT

Nil items.

12. UNRESTRICTED REPORTS FOR INFORMATION**12.1 Exercise of Corporate Directors' Discretions****Decision**

1. To note the exercise of Corporate Directors' discretions as set out in Appendix 1.

Action by:**CORPORATE DIRECTOR RESOURCES (S NAYLOR)****Reasons for the decision**

Financial Regulations requires that regular reports be submitted to Council/Committee setting out financial decisions taken under Financial Regulation B8.

The regular reporting of Corporate Director's Discretions should assist in ensuring that Members are able to scrutinise officer decisions.

Alternative options

The Council is bound by its Financial Regulations (which have been approved by Council) to report to Council/Committee setting out financial decisions taken under Financial Regulation B8.

If the Council were to deviate from those requirements, there would need to be a good reason for doing so. It is not considered that there is any such reason, having regard to the need to ensure that Members are kept informed about decisions made under the delegated authority threshold and to ensure that these activities are in accordance with Financial Regulations.

13. EXCLUSION OF THE PRESS AND PUBLIC

That pursuant to regulation 21(1)(b) of the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000, the press and public be excluded from the remainder of the meeting:

- (a) As it was likely, in view of the nature of the business to be transacted in Section Two of the agenda, that if members of the public were present during consideration of this business there would be disclosure of exempt information.
- Exempt information is defined in section 100I and, by reference, Schedule 12A of the Local Government Act 1972 (“the 1972 Act”). To be exempt, information must fall within one of the categories listed in paragraphs 1 to 7 of Schedule 12A, must not fall within one of the excluded categories in paragraphs 8 and 9 and the public interest in maintaining the exemption must outweigh the public interest in disclosing the information.
 - Agenda item 14. “Exempt/Confidential Minutes” (of the meeting of the Cabinet held on 3 October 2012) contained information relating to the financial or business affairs of any particular person (including the authority holding that information). In particular information relating to the financial affairs of the Council.

(b) As although there is a public interest favouring public access to local authority meetings, in this case the Cabinet concluded that given the information contained in:

- Agenda item 14. “Exempt/Confidential Minutes” (of the meeting of the Cabinet held on 3 October 2012) contained information relating to the financial or business affairs of any particular person (including the authority holding that information). In particular information relating to the financial affairs of the Council.

that the public interest in maintaining the exemption on the information outweighed the public interest in disclosing it.

14. EXEMPT / CONFIDENTIAL MINUTES

The Exempt/Confidential minutes (Cabinet 7 November 2012) were presented for information.

15. OVERVIEW & SCRUTINY COMMITTEE

15.1 Chair's advice of Key Issues or Questions in relation to Exempt / Confidential Business to be considered.

Nil items.

15.2 Any Exempt / Confidential Decisions "Called in" by the Overview & Scrutiny Committee

Nil items.

16. A GREAT PLACE TO LIVE

Nil items.

17. A PROSPEROUS COMMUNITY

Nil items.

18. A SAFE AND COHESIVE COMMUNITY

Nil items.

19. A HEALTHY AND SUPPORTIVE COMMUNITY

Nil items.

20. ONE TOWER HAMLETS

Nil items.

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

Nil items.

22. EXEMPT / CONFIDENTIAL REPORTS FOR INFORMATION

Nil items.

The meeting ended at 6.35 p.m.

**Isabella Freeman
ASSISTANT CHIEF EXECUTIVE (Legal Services)**