

Meeting of the

OVERVIEW & SCRUTINY COMMITTEE

Tuesday, 5 February 2013 at 7.00 p.m.

AGENDA

VENUE

Room C1, 1st Floor, Town Hall, Mulberry Place, 5
Clove Crescent, London, E14 2BG

Members:	Deputies (if any):
<p>Chair: Councillor Ann Jackson Vice-Chair: Councillor Rachael Saunders, Scrutiny Lead, Adult, Health & Wellbeing</p>	<p>Councillor Khales Uddin Ahmed, (Designated Deputy representing Councillors Ann Jackson, Rachael Saunders, Sirajul Islam, Amy Whitelock and Helal Uddin) Councillor Marc Francis, (Designated Deputy representing Councillors Ann Jackson, Rachael Saunders, Sirajul Islam, Amy Whitelock and Helal Uddin) Councillor Peter Golds, (Designated Deputy representing Councillor Tim Archer) Councillor Harun Miah, (Designated Deputy representing Councillor Fozol Miah) Councillor David Snowdon, (Designated Deputy representing Councillor Tim Archer) Councillor Motin Uz-Zaman, (Designated Deputy representing Councillors Ann Jackson, Rachael Saunders, Sirajul Islam, Amy Whitelock and Helal Uddin)</p>
<p>Councillor Tim Archer, Scrutiny Lead, Chief Executive's Councillor Stephanie Eaton, Scrutiny Lead, Communities, Localities and Culture Councillor Sirajul Islam, Scrutiny Lead, Development & Renewal Councillor Fozol Miah Councillor Amy Whitelock, Scrutiny Lead, Children, Schools & Families Councillor Helal Uddin, Scrutiny Lead, Resources 1 Vacancy</p>	
<p>[Note: The quorum for this body is 3 voting Members].</p>	

Co-opted Members:

Memory Kampiyawo	– (Parent Governor Representative)
Nozrul Mustafa	– (Parent Governor Representative)

Rev James Olanipekun	– (Parent Governor Representative)
Mr Mushfique Uddin	– (Muslim Community Representative)
Dr Phillip Rice	– (Church of England Diocese Representative)
1 Vacancy	– (Roman Catholic Diocese of Westminster Representative)

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:

Angus Taylor, Democratic Services,

Tel: 020 7364 4333 E-mail: angus.taylor@towerhamlets.gov.uk

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LONDON BOROUGH OF TOWER HAMLETS

OVERVIEW & SCRUTINY COMMITTEE

Tuesday, 5 February 2013

7.00 p.m.

SECTION ONE

1. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

2. DECLARATIONS OF INTEREST

1 - 4

To note any declarations of interest made by Members, including those restricting Members from voting on the questions detailed in Section 106 of the Local Government Finance Act, 1992. See attached note from the Monitoring Officer.

3. UNRESTRICTED MINUTES

5 - 22

To confirm the following as a correct record of the proceedings:

- The unrestricted minutes of the extraordinary meeting of the Overview and Scrutiny Committee held on 17th December 2012 (attached).
- The unrestricted minutes of the ordinary meeting of the Overview and Scrutiny Committee held on 8th January 2013 (attached).
- The unrestricted minutes of the extraordinary meeting of the Overview and Scrutiny Committee held on 21st January 2013 (to follow).
- The unrestricted minutes of the extraordinary meeting of the Overview and Scrutiny Committee held on 22nd January 2013 (to follow).

4. REQUESTS TO SUBMIT PETITIONS

To receive any petitions (to be notified at the meeting).

5. UNRESTRICTED REPORTS 'CALLED IN'

No decisions of the Mayor in Cabinet (9th January 2013) in respect of unrestricted reports on the agenda were 'called in'.

6. UNRESTRICTED REPORTS FOR CONSIDERATION

6 .1 OSC Comments on Initial 2013/14 Budget Proposals

To endorse OSC comments on the Mayor's Initial 2013/14 Budget proposals, arising from Extraordinary Budget OSC meetings held on 21st and 22nd January 2013, and to consider further comments on the Budget proposals.

6 .2 Scrutiny Challenge Session - Mental Health and Housing

To receive an oral report and presentation.

7. VERBAL UPDATES FROM SCRUTINY LEADS

(Time allocated – 5 minutes each)

8. PRE-DECISION SCRUTINY OF UNRESTRICTED CABINET PAPERS

To consider and agree pre-decision scrutiny questions/comments to be presented to Cabinet.

(Time allocated – 30 minutes).

9. ANY OTHER UNRESTRICTED BUSINESS WHICH THE CHAIR CONSIDERS TO BE URGENT

To consider any other unrestricted business that the Chair considers to be urgent.

10. EXCLUSION OF THE PRESS AND PUBLIC

In view of the contents of the remaining items on the agenda the Committee is recommended to adopt the following motion:

“That, under the provisions of Section 100A of the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985, the press and public be excluded from the remainder of the meeting for the consideration of the Section Two business on the grounds that it contains information defined as Exempt in Part 1 of Schedule 12A to the Local Government Act, 1972.”

EXEMPT/CONFIDENTIAL SECTION (Pink Papers)

The exempt committee papers in the agenda will contain information, which is commercially, legally or personally sensitive and should not be divulged to third parties. If you do not wish to retain these papers after the meeting, please hand them to the Committee Officer present.

SECTION TWO

11. EXEMPT/ CONFIDENTIAL MINUTES 23 - 30

To confirm as a correct record of the proceedings:

- The exempt/ confidential minutes of the extraordinary meeting of the Overview and Scrutiny Committee held on 17th December 2012 (attached).
- The exempt/ confidential minutes of the ordinary meeting of the Overview and Scrutiny Committee held on 8th January 2013 (attached).

12. EXEMPT/ CONFIDENTIAL REPORTS 'CALLED IN'

No decisions of the Mayor in Cabinet (9th January 2013) in respect of exempt/ confidential reports on the agenda were 'called in'.

13. PRE-DECISION SCRUTINY OF EXEMPT/ CONFIDENTIAL CABINET PAPERS

To consider and agree pre-decision scrutiny questions/comments to be presented to Cabinet.

(Time allocated 15 minutes).

14. ANY OTHER EXEMPT/ CONFIDENTIAL BUSINESS THAT THE CHAIR CONSIDERS URGENT

To consider any other exempt/ confidential business that the Chair considers to be urgent.

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Agenda Item 2

DECLARATIONS OF INTERESTS - NOTE FROM THE MONITORING OFFICER

This note is for guidance only. For further details please consult the Members' Code of Conduct at Part 5.1 of the Council's Constitution.

Please note that the question of whether a Member has an interest in any matter, and whether or not that interest is a Disclosable Pecuniary Interest, is for that Member to decide. Advice is available from officers as listed below but they cannot make the decision for the Member. If in doubt as to the nature of an interest it is advisable to seek advice **prior** to attending a meeting.

Interests and Disclosable Pecuniary Interests (DPIs)

You have an interest in any business of the authority where that business relates to or is likely to affect any of the persons, bodies or matters listed in section 4.1 (a) of the Code of Conduct; and might reasonably be regarded as affecting the well-being or financial position of yourself, a member of your family or a person with whom you have a close association, to a greater extent than the majority of other council tax payers, ratepayers or inhabitants of the ward affected.

You must notify the Monitoring Officer in writing of any such interest, for inclusion in the Register of Members' Interests which is available for public inspection and on the Council's Website.

Once you have recorded an interest in the Register, you are not then required to declare that interest at each meeting where the business is discussed, unless the interest is a Disclosable Pecuniary Interest (DPI).

A DPI is defined in Regulations as a pecuniary interest of any of the descriptions listed at **Appendix A** overleaf. Please note that a Member's DPIs include his/her own relevant interests and also those of his/her spouse or civil partner; or a person with whom the Member is living as husband and wife; or a person with whom the Member is living as if they were civil partners; if the Member is aware that that other person has the interest.

Effect of a Disclosable Pecuniary Interest on participation at meetings

Where you have a DPI in any business of the Council you must, unless you have obtained a dispensation from the authority's Monitoring Officer following consideration by the Dispensations Sub-Committee of the Standards Advisory Committee:-

- not seek to improperly influence a decision about that business; and
- not exercise executive functions in relation to that business.

If you are present at a meeting where that business is discussed, you must:-

- Disclose to the meeting the existence and nature of the interest at the start of the meeting or when the interest becomes apparent, if later; and
- Leave the room (including any public viewing area) for the duration of consideration and decision on the item and not seek to influence the debate or decision

When declaring a DPI, Members should specify the nature of the interest and the agenda item to which the interest relates. This procedure is designed to assist the public's understanding of the meeting and to enable a full record to be made in the minutes of the meeting.

Where you have a DPI in any business of the authority which is not included in the Member's register of interests and you attend a meeting of the authority at which the business is considered, in addition to disclosing the interest to that meeting, you must also within 28 days notify the Monitoring Officer of the interest for inclusion in the Register.

Further advice

For further advice please contact:-

Isabella Freeman, Assistant Chief Executive (Legal Services), 020 7364 4801; or
John Williams, Service Head, Democratic Services, 020 7364 4204

APPENDIX A: Definition of a Disclosable Pecuniary Interest

(Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012, Reg 2 and Schedule)

Subject	Prescribed description
Employment, office, trade, profession or vacation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	<p>Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by the Member in carrying out duties as a member, or towards the election expenses of the Member.</p> <p>This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.</p>
Contracts	<p>Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority—</p> <p>(a) under which goods or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged.</p>
Land	Any beneficial interest in land which is within the area of the relevant authority.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.
Corporate tenancies	<p>Any tenancy where (to the Member's knowledge)—</p> <p>(a) the landlord is the relevant authority; and</p> <p>(b) the tenant is a body in which the relevant person has a beneficial interest.</p>
Securities	<p>Any beneficial interest in securities of a body where—</p> <p>(a) that body (to the Member's knowledge) has a place of business or land in the area of the relevant authority; and</p> <p>(b) either—</p> <p>(i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or</p> <p>(ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.</p>

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LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE OVERVIEW & SCRUTINY COMMITTEE

HELD AT TIME NOT SPECIFIED ON MONDAY, 17 DECEMBER 2012

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

Members Present:

Councillor Ann Jackson (Chair)
Councillor Khaled Uddin Ahmed
Councillor Peter Golds
Councillor Motin Uz-Zaman
Councillor Sirajul Islam

Co-opted Members Present:

Memory Kampiyawo – (Parent Governor Representative)
Rev James Olanipekun – (Parent Governor Representative)

Guests Present:

Martin Ebbs – Interim manager of the Third Sector Team.

Officers Present:

Jill Bell – Head of Legal Services, Environment
Kate Bingham – Interim Service Head, Resources
Heather Bonfield – Interim Service Head Culture Learning and
Leisure Services
Barbary Disney – Strategic Commissioning Manager
Chris Holme – Service Head Resources
David Galpin – Head of Legal Services, Community
Frances Jones – One Tower Hamlets Service Manager
David Courcoux – Political Adviser to the Labour Group
Evelyn Akoto – Democratic Service

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Rachael Saunders, Stephanie Eaton, Fozol Miah, Amy Whitelock of which Khaled Ahmed deputised, Helal Uddin, Denise Jones, and Tim Archer of which Cllr Peter Golds deputised.

Apology was also received from Nozral Mustupher, Parent Governor.

2. DECLARATIONS OF INTEREST

Councillor Peter Golds declared that he is the council nominee to the board of the Green Candle dance company, but is not party to any discussions.

3. SECTION ONE REPORTS 'CALLED IN'

3.1 Mayor's Strategic MSG Programme

The Chair, Councillor Jackson welcomed all parties and read out an email from Cllr Choudhury which questioned why the meeting was held at a time knowing that key executive members were scheduled to attend a statutory event. The Chair stated that the date of the meeting was chosen as it was the last date that the call-in could be heard in order to allow time for the Mayor to respond before the Christmas holidays. Moreover, she stated that she had invited the Mayor, Deputy Mayor and all lead members in turn to the meeting, which was the only date that a quorate could be assured, but had been refused by all.

The Chair began the meeting by informing the committee about information she has obtained since the call in and prior to this meeting. She continued that she had requested specific information from Aman Dalvi such as, details of the grant applications including officer assessments at all stages including drafts, the draft reports and papers on the 3rd Sector Grants Board, including minutes, and a geographical breakdown of the grants proposals.

The Chair, highlighting her concerns, raised the following points:

- She queried why the original officer recommendations produced on 14 August 2011 were rejected as the reasons given were, in her judgement, spurious.
- That Equality Impact Assessments (EQIA) has been reviewed and changed and the original approach and processes for Assessment amended.
- That organisations that had proven track records have either had their funding cut or not received any grant at all for reasons not substantiated.
- She raised concerns that funding had been allocated to organisations which had been judged as not eligible for funding by officers.
- The mapping report did not show how funding had been allocated across the borough and there was no stated Mayoral policy to fund some areas to a greater extent than others. Organisations based in the E1 and E2 areas appear to have received a higher proportion of funding than E3 and E14.
- That there were documents missing from the MSG documentation folders and this was unexplained.

- The funding allocation was not conducted in a transparent way, nor had it followed proper guidelines.
- Many of the applications in the MSG folders had colour banding which needs further explanations.

Councillor Motin Uz-Zaman for the Call-In Members referred to the reasons in their requisition and made the following comments:

- He expressed disappointment that members 'called in' were not present at the meeting to be held to account.
- Noted that whilst some of the funding recommendations presented at Cabinet had been reversed, not all the concerns raised had been addressed
- The cuts in funding in some areas, including social welfare advice, were not forced upon the administration but rather imposed by the Mayor. In contrast, neighbouring boroughs including Islington and Camden have increased funding for social welfare advice. Despite an overall increase in the amount of funding put into the MSG programme, this had not been directed into continued support for organisations with track records of good performance.
- Given the pressures on funding for third sector organisations and uncertainty about future funding, it is unwise to shift funding to new, untested organisations that will face real challenges in establishing themselves and are unlikely to thrive in the current climate. The way the process has been carried out behind closed doors by the Administration had shown contempt for genuine scrutiny.
- There is an imbalance of funding across the borough and information about the geographical spread of funded organisations should have been made available before the final funding decisions were made.

Barbara Disney, Strategic Commissioning Manager, Kate Bingham, Interim Service Head Resources, Heather Bonfield, Interim Head of Culture and Leisure services, Chris Holme, Service Head Resources and Jill Bell, Head of Legal Services – Environment responded to the concerns raised informing the Committee that:

- Grant applications far exceeded available funding; hence officers went through a robust process to moderate the bids to ensure that they were meaningful in what they were delivering.
- Decisions on funding allocations were also based on the quality of application bids. Some established organisations did not submit very good applications, whereas some new applications put more consideration in their bids. Moreover, many established organisations put in bids for new proposals which were judged on merit.
- The issues covered in the Equalities Impact Assessments were discussed by the Programme Board and the review applications provided additional information on the impact of funding

decisions on residents from the nine protected characteristic groups. The Equality Impact Assessments were finalised and provided to the Programme Board as they made their final funding recommendations.

- On the £100,000 reduction on EYNTH infrastructure funding, the Dedicated Schools' Grant is ring fenced for provision of education including for childcare. From 1st September 2013, 25% of 2 year olds from the poorest backgrounds will receive free 15 hours early years education, this becomes a statutory duty for the Authority. Allocation of the grant focused on building the capacity of local providers to meet this statutory responsibility.
- With regards to youth service and the E1 / E2 provision, the focus was on value added and not necessarily duplicating services being provided by the council.
- Additional funding had been put into the Community and Economic Engagement Stream with a greater emphasis on redirecting people to employment services but it was acknowledged there has been a reduction in funding for Social Welfare advice.

The Chair stated, and the committee agreed there is a need to put more investment in this area now in the context of impending welfare reform changes which mean that people will need to access employment if they are to be protected from the impact of the welfare benefit cap.

A member questioned why there were dramatic increases in funding for some organisations, from the initial recommendation made to Cabinet on 3rd October 2012, to the final grant given without explanations. He expressed grave concerns with these changes and the possible reasons behind them.

In response to questions, Barbara Disney gave the following answers:

- Cannot adequately comment on the reasons behind the increase in the final grant allocation to organisations like the Stifford TRA without reviewing particular applications.
- Will provide information later on how many organisations were funded for the first time.
- There is no duplication of clubs operating in the same area. Moreover, it depends on how close one classifies the same area and the transport links between them. There has been an increase of 9 lunch clubs.
- The intention was to prioritise lunch clubs across the borough, with a focus on the different community groups they serve, the actual cost of the lunch and the additional services that they provided.
- Apart from the Alzheimer's Society which was considered different, the amount of funding was based around the number of operating days, the number of people that attended and the number of advice sessions that were offered.

Rev James Olanipekun queried why established organisations were sidelined for new organisations, given the current unstable financial climate.

The Chair highlighted that out of a total of 31 lunch clubs, 24 existed in the E1 and E2 areas. Barbary Disney replied that there were not many applications from other areas of the borough, but acknowledged that funding for these organisations were increased from the original recommendations.

In response to questions Kate Bingham gave the following answers:

- The priority for assessment was the actual provision of service to children across the borough. It was recognised that the Early Years work was a valued service in terms of infrastructure support they provide to smaller organization through administration and finance management. However, the focus is on 2 year old provision which is a statutory duty. It is recognized that it is a risk in terms of the grant reduction to this organization which will affect its ability to support other smaller organizations, but officers will use the funding to capacity build over the next two years to support smaller organisations.
- Cannot comment satisfactorily on the funding given to the East London Mosque, but will review the case and provide a response.

Rev James Olanipekun raised concerns that from a resident's perspective, the scrutiny process has not been effective in this matter.

Jill Bell commented that when the call in was received, the chair was informed that all papers regarding the Mainstream programme will be available to the committee. Some of the papers contain confidential matters relating to the organizations, which was supported by the Chief Executive of the Council for Voluntary Service for the borough. The papers have been available for committee members to scrutinise. This information is not however open to view by other members of the council. When asked by a member if a Councillor put a freedom of information enquiry would they get access to the papers, she responded that they would not get access to the same level of documentation as they would as a member of this committee, due to the commercial confidentiality. The groups who had submitted applications were in a competitive environment for funding and the content of their applications was commercially sensitive.

A member responded that under localism, people should be entitled to have access to this information as these were not commercial organizations but voluntary ones, bidding for public money.

In response to questions Heather Bonfield gave the following answers:

- Cannot adequately answer why majority of youth service funding have gone to organisations in the E1 and E2 areas without review the particular application.
- With regard to Life Long Learning, the Council has invested a lot of money towards its own ESOL provision, so overall there has been an increase in investment rather than a reduction.

In response to questions Christ Holme gave the following answers:

- There has been a recommended reduction with social welfare advice, though not as much as the original cabinet decision. It is felt that this service is not sustainable in the long term and there is a need to redirect people through the employability route
- One of the recommendations that the mayor did agree is that officers should monitor the affects of the welfare changes on the community. There is a deliberate attempt to put money through the employability route, in certain areas there are other sources of financing such as the Big Lottery that can support organizations. Moreover, there is an additional £945,000, some of which may go towards supporting the Third Sector to provide welfare support.

The Chair asked each officer the following questions:

- Are you satisfied that funding process was followed correctly in allocations made in their directorates?
- Are you satisfied that the eligibility assessments made were thorough and ensured fairness and transparency?
- Are you satisfied that balanced portfolios of projects had been funded in their funding streams?
- Would you agree that a fair borough wide / 3rd sector wide allocation of MSG had been achieved for their funding streams?

All but one officer confirmed that this was correct in so far as this pertained to information supplied by grant applicants.

Frances Jones, One Tower Hamlets Service Manager made the following points:

- In terms of the process, officers worked stream by stream looking at the overall balance of the recommended allocation of the different protected groups under the Equalities Act. They completed a summary of the need of the different service funding and then assessed the recommendations the programme board made at each stage and mapped the need in terms of the proposal allocation spend. The purpose of the Equalities system was to inform those making the decisions, of the impact on protected groups. Each time the decision of funding changed, the Equalities assessment was revisited.
- There is an established process for EQIAs, the approach followed was the same but the content varied according to officer's knowledge on the various areas.

In response to a question, Jill Bell confirmed that the EQIA was not completed during the time when the programme boards were reviewing the grants. She continued that as the programme board looked at the different funding streams the officers presented their recommendations and at that point were looking at the equalities issues. However, each time any decision changed, the Board revisited the EQIA to ensure that they were fulfilling their duty under the Equalities Act. The EQIA was not finalized until the final recommendations were all been made, which was on 30 November 12.

Chris Holme also commented that one of the problems was that as the initial recommendations were being finalised it became clear that there was no settled EQIA and only upon this completion did the Board recognize that there were issues that had not been addressed.

The committee's discussion of the call-in brought forward the following views:

- The Committee further expressed disappointment that neither the Mayor nor the relevant 'call-in' members were in attendance at the O&S Committee meeting, leaving officers to answer questions intended for the decision maker. They felt that this denied the Committee and public the opportunity to hear from the Mayor his reasons for the allocations of grants.
- The committee remained concerned with the disproportionate funding allocation to the E1 and E2 areas.
- The committee remained unhappy with the lack of transparency and accountability of the decision making process.
- The committee felt that they should have had unhindered access to information and also noted that a lot of paper work was missing.
- The Committee remained concerned about the increase of funding allocations to some organisations, which differed greatly from officers' original recommendations.
- The Committee wanted clarification behind the funding of a lot of new untested applications in favour of established ones.

The committee felt that the decision on a matter of great importance had been taken in an unaccountable and opaque way. The Chair would therefore request to meet with the Mayor to address her issues

Following discussion, the Overview and Scrutiny Committee endorsed the reasons for the call-in and resolved to refer the decision back to the Mayor for further consideration.

The Committee also endorsed the Chair's comments, In particular, that the matter be referred to the District Auditor for further probing.

4. EXCLUSION OF THE PRESS AND PUBLIC

The Chair **Moved** and it was: -

Resolved:

That in accordance with the provisions of Section 100A of the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985, the press and public be excluded from the remainder of the meeting for the consideration of the Section Two business on the grounds that it contained information defined as exempt or confidential in Part 1 of Schedule 12A to the Local Government, Act 1972.

5. SECTION TWO REPORTS 'CALLED IN'

5.1 Mayor's Strategic MSG Programme

Refer to part two minutes

The meeting ended at 9pm

Chair, Ann Jackson
Overview & Scrutiny Committee

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE OVERVIEW & SCRUTINY COMMITTEE

HELD AT 7.00 P.M. ON TUESDAY, 8 JANUARY 2013

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

Members Present:

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

Other Councillors Present:

Councillor Khaled Uddin Ahmed

Co-opted Members Present:

Memory Kampiyawo – (Parent Governor Representative)
Nozrul Mustafa – (Parent Governor Representative)
Rev James Olanipekun – (Parent Governor Representative)
Dr Phillip Rice – (Church of England Diocese Representative)

Guests Present:

–

Officers Present:

Sarah Barr – (Senior Strategy Policy and Performance Officer,
One Tower Hamlets, Chief Executive's)
Maura Farrelly – (Community Resources Officer - Advice & Anti-
Poverty, Third Sector Team, Development &
Renewal)
Isabella Freeman – (Assistant Chief Executive - Legal Services, Chief
Executive's)
David Galpin – (Head of Legal Services (Community), Legal
Services, Chief Executive's)
Louise Russell – (Service Head Corporate Strategy and Equalities,
Chief Executive's)
Louise Stamp – (Electoral Services Manager, Chief Executive's)

Angus Taylor – (Principal Committee Officer, Democratic Services, Chief Executive's)

COUNCILLOR ANN JACKSON (CHAIR) IN THE CHAIR

1. APOLOGIES FOR ABSENCE

No apologies for absence were received.

2. DECLARATIONS OF INTEREST

No declarations of interest were made.

3. UNRESTRICTED MINUTES

The Chair identified a typographical error on page 7 (as set out below), and accordingly **Moved** and it was: -

Resolved

1. That, subject to the amendment detailed at (a) below, the unrestricted minutes of the ordinary meeting of the Overview and Scrutiny Committee held on 4th December 2012 be approved and signed by the Chair, as a correct record of the proceedings.
 - (a) page 7, Scrutiny Spotlight – Borough Commander (Presentation), paragraph 5, line : deletion of the text “Borough’s” and insertion of the text “Borough Police’s”.
2. That it be noted that that the unrestricted minutes of the extraordinary meeting of the OSC, held on 17th December 2012, were unavailable and would be presented to the next meeting for consideration/ approval as a correct record of the proceedings.

Action by:

Angus Taylor (Principal Committee Officer)

4. REQUESTS TO SUBMIT PETITIONS

There were no petitions.

5. UNRESTRICTED REPORTS 'CALLED IN'

No decisions of the Mayor in Cabinet on 5th December 2012 had been “called in”.

The Chair:

- Informed the OSC that a decision of the Mayor outside Cabinet, taken under executive powers, relating to the Mayor's Strategic MSG Programme 2012-15 had been made on 7th January 2013. The Mayor had reconsidered his decision made outside Cabinet (30th October 2012), after its referral back to him for further consideration by the OSC (17th December 2012). The Mayor had reaffirmed his previous decision.
- Commented that the version of the formal OSC referral back to the Mayor differed in content from the version she had approved. The Chair to follow up on 9th January, and advise OSC members of the outcome.

Noted

Variation to Order of Business

The Chair noted that Dr Philip Rice, proposed for co-option to the membership of the OSC later on the agenda (item 6.3), would be attending as an observer pending OSC agreement of his co-option. The Chair welcomed Dr Rice to the meeting, and indicated that she considered it appropriate that the Order of Business be varied so that agenda item 6.3 be taken next, in order that Dr Rice's co-option could be agreed and he could then participate fully in OSC discussion of the remaining business on the agenda. Accordingly the Chair **Moved** and it was: -

Resolved

That the Order of Business be varied as below:

- Agenda Item 6.3 Co-option to Overview and Scrutiny Committee Membership be considered next.
- Subsequently return to the order of business detailed in the agenda.

However for ease of reference OSC deliberations and subsequent decisions taken, are set out below in the order detailed in the agenda.

6. REPORTS FOR CONSIDERATION

6.1 Update: Annual Electoral Canvass, Cabinet Office Pilot and Local Government and Parliamentary Boundary Reviews

The Chair informed the OSC that the presentation would not in fact encompass the Local Government and Parliamentary Boundary Reviews.

Louise Stamp, Electoral Services Manager, gave a detailed Powerpoint presentation providing the OSC with a progress update on the Annual Electoral Registration (ER) Canvass 2012 and the Individual Electoral Registration (IER) Pilot. The slides were also **Tabled**, a copy of which would be interleaved with the minutes. Isabella Freeman, Assistant Chief Executive (Legal Services), was also in attendance to answer questions from the OSC.

A discussion followed which focused on the following points:-

- Noting that:

The introduction of IER in 2014 would require data matching with Department of Work & Pensions (DWP) records.

That currently with the IER Pilot relating to the 2012 ER Canvass 35% of applications to register to vote remained unmatched, and therefore the electors could not be placed on the Register of Electors (the Register).

That the Cabinet Office and DWP had not agreed to a two way process of data flow, and officers considered DWP records to be out of date given the transient nature of the population in Tower Hamlets. This required much more work at the LBTH end by the ERO to resolve the mismatches (only if the Council were satisfied a mismatch had been resolved by other means could electors be added to the Register).

Officers anticipated that there would be 20% reduction in registered electors in Tower Hamlets as a consequence of IER.

The opt out from the published Register box could no longer be pre ticked automatically on the ER form by the Council, and so 75% of information was currently confidential would not be so in 2014.

Clarification was sought and given as to:

Whether there were any set criteria/ rules or appeal process which could be used to challenge the data mismatches arising from the DWP data and the resulting consequence that many electors could not be placed on the Register.

Whether any analysis had been undertaken to identify the proportion of electors that might legitimately be deleted from the Register because they were registered in error. Also the proportion that might be unfairly deleted.

The administrative process that would be followed to inform applicants/ electors of the data mismatch, warn them of potential deletion from the Register and advise of steps to avoid this.

Provision for alternative methods of verification eg another family member, given that many residents would struggle to provide information required to verify their application to register to vote, such as driving licence/ passport.

The strength of the case made for additional resources, given that 65% of the population in LBTH lived in rented accommodation with major implications for the electoral registration process under IER, in contrast to other boroughs.

Action planned to support those residents wanting to return an electoral registration form/ provide the necessary information, in particular outreach initiatives for those with mental health issues.

Planned partnership working eg information sharing with RSLs to assist with tenancy changes and data matching.

Whether 10,000 electors had been deleted from the Register following the 2012 ER Canvass, and whether the numbers of electors placed on the register had risen steadily since then.

How the 85.22% response rate to the 2012 ER Canvass compared to the London average.

With reference to the IER Pilot and matching of data pre and post 2012 ER Canvass to ascertain how many matched electors changed address: what the anticipated final match rate would be. Whether postal and proxy votes could still be applied for under IER.

The Chair summarised that the main concern of the OSC was that a large proportion of local residents may be disenfranchised if there was not a way to resolve data matching problems arising from out of date DWP information, due primarily to population churn and the proportion of rented accommodation in LBTH. The Council should give consideration to further action to address this issue. The Chair the **Moved** and it was:-

Resolved

That the progress update made in the presentation be noted.

6.2 Draft Financial Inclusion Strategy 2013 -16

Louise Russell, Service Head Corporate Strategy & Equality, gave a detailed Powerpoint presentation which introduced and highlighted key points in the written report, informing the OSC of current work to develop the Tower Hamlets Financial Inclusion Strategy 2013-2016 (FIS) and presenting the initial draft of the Strategy for consultation, prior to adoption by the Tower Hamlets Partnership. The slides were also **Tabled**, a copy of which would be interleaved with the minutes. Maura Farrelly, Community Resources Officer - Advice and Anti- Poverty, was also in attendance to answer questions from the OSC.

A comprehensive discussion followed which focused on the following points:-

- Clarification sought and given as to:
 - FIS objectives Theme 2 - 2.1 & 2.2 as to the efforts made to contact financial services (FS) organisations in/ near the borough and whether a positive relationship had developed. Whilst understanding the lead role of Toynbee Hall in this, consideration that more could be done in this area given the concentration of FS businesses in/ in close proximity to LBTH and their probable receptivity (post banking crisis) and expertise with products for the target group.
 - The scale of funding for advice services regarding FS and FI, and large downscaling resulting in a shift from a publicity and information campaign to a national information system geared to the literate, which was not ideal.
 - In context of FIS objective Theme 1 – 1.2, and the awareness that most related products were computer based, as to provision to improve computer literacy and community access to on line facilities. Consideration that the FIS could be strengthened by action points for further exploration of this aspect of FI.
 - How the FIS was congruent with endeavouring to mitigate the social and public health impact of personal debt and also with introduction of personal budgets for residents receiving mental

health services. Anti-Poverty Strategy be presented to a future OSC for its consideration in this context.

The nature and depth of consultation with residents in development of the FIS and the proposals it contained for partnership working to promote FI.

The consideration given when developing the FIS to linkage with the Gambling Policy currently being reviewed.

Whether the implications of the FIS could be contained within existing budgets were there to be any sudden shift in policy from Government.

- Noting the gap in FS provision (and associated social implications) of the borough-wide ATM mapping exercise, consideration that the Council, as the largest landowner in the borough, could provide sites for 'free withdrawal' ATMs. Also that provision of free ATMs in One Stop Shops, housing offices and idea stores would help mitigate this aspect of exclusion from FS.
- Consideration that:-
 - The approach of Council's in Scotland, where on line access to 'Pay Day Loan Companies' had been blocked to their workforce/ Council establishments eg libraries, should be explored in LBTH if it were lawful. Clarification also sought and given on the Communications Strategy element within the FIS.
 - The FIS should explore the potential for the Council to provide residents with a free pre-paid debit/credit card, possibly with incentivisation to pay by direct debit, so that those on low income could avoid the financial charges of commercial cards.
 - The FIS was not aligned with the Mainstream Grant Programme, recently agreed by the Mayor, given the importance of FI in the context of Government welfare/ benefit reform and the concurrent reduction of advice centre funding in the Programme.
 - The corporate social responsibility projects undertaken by Canary Wharf would be more beneficial if focussed on sharing financial expertise. Therefore the FIS could be strengthened with an initiative to put together a consortium of FS organisations to provide advice services.
 - In the context of reduced MSG funding for advice connected with FI it was worth exploring the potential for local FS businesses to plug the funding gap, even if temporarily, as the Voluntary Sector (VS) organisations had a track record in advice provision and were trusted by local residents.
 - In the context of a delay in Government introduction of a benefit cap from March/ April to June 2013, it was important to keep residents informed/ engaged and forstall the onset of any complacency.
- The importance of:
 - Simple signposting for residents on what to do if they encountered difficulty due to welfare reform changes/ impact on benefits, was emphasised in the context of the major impact on Tower Hamlets of the new Government benefit cap, and the need for effective management so that advice services weren't swamped. Noted that

initiatives were underway to address this. However concern expressed at the current levels of resident awareness, and in this context the need for bad debt provision by the Council and a preparedness to review the recent changes to processes and funding in this area.

A fair and impartial approach by the Council and partner RSLs to meeting housing need was emphasised and the need to focus efforts on gaining public trust.

The Chair **Moved** and it was:-

Resolved

1. That the contents of the report, and draft Financial Inclusion Strategy 2013-2016, attached at Appendix 1, be noted; and
2. That Officers be requested to take account of the OSC comments and suggestions to strengthen the Strategy.

Action by:

Louise Russell (Service Head Corporate Strategy & Equality)

6.3 Co-option to Overview and Scrutiny Committee membership (to follow)

Please note that the order of business was varied by resolution of the OSC earlier in the proceedings in order to allow this item of business to be taken as the first item of substantive business, however for ease of reference OSC deliberations, and subsequent decisions taken, are set out below in the order detailed in the agenda.

Angus Taylor, Principal Committee Officer, briefly introduced the report and summarised the key points it contained.

The Chair then **Moved** and it was: -

Resolved

1. That the current position in relation to the co-option of representatives in respect of education matters, as set out at paragraphs 3.1 to 3.6 of the report, be noted;
2. That the co-option of Dr Phillip Rice as a Church of England Diocese representative, as set out at paragraph 3.5 of the report, be agreed; and
3. That, subsequent to agreement of resolution 2. above, the final current membership of the OSC, as set out in Appendix 2 to the report, be noted.

7. VERBAL UPDATES FROM SCRUTINY LEADS

Scrutiny Review - Removing the barriers to youth and graduate employment - Much of the review would be undertaken by innovative review of information obtained in previous reviews, or otherwise available. It was hoped that resources available to the Young Mayor of Tower Hamlets could be utilised.

Scrutiny Review - Mainstream grants allocation - had been delayed because of the delay in Mayoral decision making on the MSG Programme for 2012/15, and outlined the proposed foci for the review.

Challenge Session on mental health and housing need and lettings - had taken place in December. A variety of key stakeholders had been represented and the discussion was constructive/ robust and sufficiently detailed for concrete recommendations to be made; these to be reported to a future OSC.

Scrutiny Review - Post-16 attainment - Scoping completed and members co-opted onto the review group. There would be an intensive programme of review group meetings in February and March.

The Scrutiny Lead for Communities Localities and Culture outlined potential areas for review. The Chair commented that she would welcome a review crime/ statistics, considering that reporting by gender and ethnicity required improvement.

It was agreed that presentations should be submitted to OSC in future months on the progress of the scrutiny reviews.

The Chair then **Moved** and it was: -

Resolved

1. That the verbal updates be noted; and
2. That presentations be submitted to the next OSC on the progress of the scrutiny reviews.

8. PRE-DECISION SCRUTINY OF UNRESTRICTED CABINET PAPERS

The Chair informed OSC members that a sheet of pre-decision questions/ comments in respect of the unrestricted business contained in the 9th January 2013 Cabinet agenda had been **Tabled**, a copy of which would be interleaved with the minutes.

Members of the OSC proposed that the following pre-decision questions/ comments also be raised at the Cabinet meeting if they were not present to raise them:

- Agenda Item 7.1 Future Commissioning Arrangements for Public Health services

The importance of maintaining the Councils reputation and impartial/ fair role in relation to the use of public health resources over coming months was strongly emphasised by the OSC and this should be taken into account in considering the proposals.

- Agenda Item 8.1 Bonner Primary School – proposed extension
What action would be taken to mitigate any safeguarding risk given that Bonner Primary School was a split site and one of the sites was also currently used for adult education.

The Chair **Moved** and it was:-

Resolved

That the pre-decision questions, as set out in the tabled paper, be submitted to Cabinet for consideration:

Action by:

Angus Taylor (Principal Committee Officer)

9. ANY OTHER UNRESTRICTED BUSINESS WHICH THE CHAIR CONSIDERS TO BE URGENT

The Chair commented that she had given some consideration to the methodology for OSC scrutiny of the Mayor's 2013/14 Budget. The previous year, scrutiny of the Budget had involved 4 directorate review meetings and 2 meetings of the OSC. This year the Chair indicated that there should be 2 extraordinary meetings of the OSC to formulate OSC questions and comments for feedback to the Mayor. The OSC feedback would be formally proposed for endorsement by the OSC at its scheduled meeting on 5th February and reported to Cabinet next day. Growth and Savings proposals would be scrutinised as part of this process.

The Chair, noting that the refreshments for OSC meetings were no longer served in the meeting room, requested the Clerk to raise the matter with FM with a view to reverting to previous arrangements.

Action by:

Angus Taylor (Principal Committee Officer)

10. EXCLUSION OF THE PRESS AND PUBLIC

The Chair **Moved** and it was: -

Resolved:

That in accordance with the provisions of Section 100A of the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985, the press and public be excluded from the remainder of the meeting for the consideration of the Section Two business on the grounds

that it contained information defined as exempt or confidential in Part 1 of Schedule 12A to the Local Government, Act 1972.

SUMMARY OF EXEMPT PROCEEDINGS

11. EXEMPT/ CONFIDENTIAL MINUTES

Minutes (Extraordinary OSC 17th December 2012) noted to be unavailable.

12. EXEMPT/ CONFIDENTIAL REPORTS 'CALLED IN'

Nil items

13. PRE-DECISION SCRUTINY OF EXEMPT/ CONFIDENTIAL CABINET PAPERS

Nil items

14. ANY OTHER EXEMPT/ CONFIDENTIAL BUSINESS THAT THE CHAIR CONSIDERS URGENT

Nil items

The meeting ended at 8.30 p.m.

Chair, Councillor Ann Jackson
Overview & Scrutiny Committee

Agenda Item 11

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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