

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE OVERVIEW & SCRUTINY COMMITTEE

HELD AT 5.30 P.M. ON TUESDAY, 23 JULY 2013

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

Members Present:

Councillor Rachael Saunders (Vice-Chair)
Councillor Stephanie Eaton
Councillor Helal Uddin
Councillor Abdal Ullah
Councillor David Snowdon

Co-opted Members Present:

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

Other Councillors Present:

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Councillor Peter Golds – (Call-In Representative)

Councillor Ohid Ahmed – (Deputy Mayor)
Councillor Alibor Choudhury – (Cabinet Member Resources)

Officers Present:

Dave Clark – (Acting Service Head Resources, Development and Renewal)
Martin Ebbs – Interim Manager, Third Sector & External Third Sector Funding
Agnes Adrien – (Team Leader, Enforcement & Litigation, Legal Services, Chief Executive's)
Chris Holme – (Acting Corporate Director - Resources)
David Galpin – (Head of Legal Services (Community), Legal Services, Chief Executive's)
Ian Read – (Communications Advisor, Communications, Chief Executive's)
Frances Jones – (Service Manager One Tower Hamlets, Corporate Strategy and Equality Service, Chief Executive's)

Alan Ingram – (Democratic Services)

1. APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of:

- Councillor Motin Uz-Zaman (Chair of the Committee)
- Councillor Amy Whitelock (Scrutiny Lead Children, Schools & Families)
- Mayor Lutfur Rahman
- Aman Dalvi (Corporate Director, Development & Renewal)
- Stephen Halsey (Head of Paid Services and Corporate Director, Communities, Localities & Culture)

Noted

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTEREST

No declarations of Disclosable Pecuniary Interest were made.

3. UNRESTRICTED MINUTES

Matters Arising

The Chair stated that Mayor Lutfur Rahman had not been able to attend the Scrutiny Spotlight and he would be invited to attend the next OSC meeting [10 September] for that purpose.

Councillor David Snowdon stated that he had not received information on the Communications Budget that was to have been circulated after the last OSC meeting. Chris Holme, Acting Corporate Director Resources, confirmed that copies had been sent to Members and undertook to forward the paper to Councillor Snowdon.

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

RESOLVED

That the unrestricted minutes of the meeting of the Overview and Scrutiny Committee held on 2 July 2013 be approved and signed by the Chair as a correct record of the proceedings.

Action by:

Chris Holme (Acting Corporate Director Resources)

Alan Ingram (Senior Committee Officer, Democratic Services, CE's)

4. REQUESTS TO SUBMIT PETITIONS

There were no petitions.

5. SCRUTINY SPOTLIGHT

The Scrutiny Spotlight did not proceed as Mayor Lutfur Rahman had been unable to attend.

6. UNRESTRICTED REPORTS 'CALLED IN'

The Clerk informed OSC Members that no decisions of the Mayor in Cabinet on 3 July 2013 had been "called in".

6.1 Mayoral Executive Decision Call-in: Decision Log No: 034 - "Community Chest and Community Events Fund 2012-14"

The Committee considered the report entitled "Community Chest and Community Events Fund 2012-14" as considered by the Mayor on Wednesday 19 June 2013 (Mayoral Executive Decision published on Thursday 20 June 2013) and which had been "Called In" by Councillors Peter Golds, Gloria Thienel, Dr Emma Jones, Tim Archer and Craig Aston. This was in accordance with the provisions of Part Four Sections 16 and 17 of the Council's Constitution.

The Chair commented that the protocol for receipt of a "Call-In" specified a time-limited slot of up to one hour. Councillor Alibor Choudhury, as Cabinet Member with portfolio for this area of Council business, had to respond to the "Call-In" but would have to leave by 6 p.m. to attend another meeting.

The Chair explained the procedure for hearing a "Call-In" and invited Councillor Peter Golds, representing the Councillors "Calling-In" the Mayor's decision to present the reasons for the "Call-In".

Councillor Golds summarised the reasons for "calling in" the Mayoral Decision, outlining the key concerns of the "Call-in" Members, and setting out the action sought from the OSC to address these as follows:

- The latest round of Community Chest grants had been decided in secret and had not been made properly public.
- With reference to grant CE-52, Channel S Television Ltd., much was made about its founder and who was alleged to be still attached to the Channel. Councillor Golds reported that OfCom had made a judgment against Channel S and had stated that its operating licence would have been withdrawn had it not briefly been off the air while ownership had been handed over to another party.
- He reported that Channel S were alleged to have taken ownership of Poplar Town Hall at a value much below that which could be achieved if put on the open market with planning permission.
- The Mayor had authorised a grant of £5,000 to Channel S for an awards ceremony and dinner. He and the "Call-In" Members queried the grounds on which this money had been awarded to this organisation. They felt that the Mayor should take back the report for

further consideration and that the grant to Channel S should be deleted.

Councillor Golds subsequently responded to questions from the OSC as follows:

- Funding of the grants process as a whole deserved scrutiny and many organisations looked as though they were connected to the present Administration. However, the Channel S grant should be examined specifically.
- The case for agreeing a grant for Channel S had not been well argued and other cases for similar amounts or less had been turned down.

Councillor Alibor Choudhury, Cabinet Member for Resources indicated that he would do his best to deal with any matters raised by the Committee. He responded to the concerns raised by the “Call-in” Members and subsequently responded to questions from the OSC summarised as follows:

- Responded to the points in the Call In requisition:
 - Inadequate level of consultation and assessment with regard to certain applications. *Councillor Choudhury recalled that the actual application and supporting information had been on the Council’s website for several months. Officers had always been on hand to provide advice and the assessment process for this small grant had been quite rigorous. Due diligence had been applied and the application was checked for eligibility. Officers had always been present during the process and the decisions of the Corporate Grants Programme Board had been recorded.*
 - The decision states that the project “represents benefits to a good cross section of the Tower Hamlets Community”. *Responded that the grants process showed that events were being arranged by people representing various parts of the community and these should be brought together so that the Borough was seen as one community as a whole.*
 - There is a focus on providing money to media groups and organisations which should be independent and self-sufficient. *Responded that this was just match-funding and was a small contribution for putting on such a beneficial show for the Borough.*
 - In view of the Ofcom judgement of January 21st regarding Channel S and Tower Hamlets, the awarding of a grant to Channel S for an awards ceremony is hardly of benefit to the wider Tower Hamlets community. *Responded that the Ofcom judgement was not a factor in the grants assessment process.*
- In a period when the Borough was having to reduce expenditure, why were Council Tax payers having to fund an awards dinner for the benefit of prominent members of the community and what benefits would this bring to ordinary people? *Responded that, in the current economic times, people needed the chance to network and get together to build up the community.*
- Concerning the decision process for awarding the following grants: Application CC116 was described as “muddled and confusing with no

clear description of the benefits to the community". However, a grant of £2,000 had been awarded. Application CC118 was a private venture and had not been awarded funding. Channel S was a private venture, so why had they been allocated funding – what process had been involved in this decision? Application CC135 related to an organisation that already received mainstream grants and S106 funding, so did not receive money. Were all organisations checked out about receiving other funds? *Martin Ebbs, Interim Manager, Third Sector Team, responded that Officers' recommendations had been as they stood and the Mayor in signing off grant funding had made statements regarding his own judgements about organisations. Limited companies would not be eligible for capacity building funding but the application from Channel S was for an award ceremony match-funded by other organisations such as the Canary Wharf Group, who were making awards to significant business people. He advised that all applications were checked for receipt of mainstream grants and other funding.*

- The Chair asked if there was a written policy on allocations to the private and voluntary sectors and how this related if events were delivered by run-for-profit organisations. *Councillor Choudhury responded that documentation could be circulated later and the Chair asked that this be made available to Members prior to the next Cabinet meeting.*
- The Chair further asked about which specific organisations had been awarded grants based on the Mayor's perceptions of community benefit that Officers had not perceived. *Dave Clark, Acting Service Head, Resources, responded that he would provide Members with a reply and the Chair added that this should also be made available before the next Cabinet meeting.*
- Councillor Choudhury asked whether, if an actual process were under discussion, it was normal to relate this mainly to one organisation. David Galpin, Head of Legal Services (Community), confirmed that this was within the Committee's powers and it was appropriate for the Committee to question one element. The Chair added that earlier questions had led to the Committee looking into wider aspects of the process.

NOTE: At this point, Councillor Abdal Ullah, who had arrived late at the meeting, stated that he wished to declare personal interests with regard to grant CC-110, in that he was a resident of part of the Wapping Ward that had received benefits, and grant CE-52, as he had attended the event in his role of working in the media.

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

- It was accepted that the Mayor could make decisions against Officer recommendations but there needed to be clear indications of where such decisions were taken and an explanation provided as to why such decisions were made. Members did not understand whether private sector organisations were eligible or not eligible and clarification was needed.

- Members expressed the view that the whole assessment process needed scrutiny from the aspect of ensuring due diligence was applied and that the Mayor's decision-making was more transparent.
- A factor as to whether or not grant allocation was appropriate related to historical funding. Members felt that newer organisations were benefiting from funding whereas some more established organisations with positive track records were not.
- Other projects offering employment, etc., had been awarded less money while Channel S, a self-sufficient organisation, had been given £5,000. This called into question whether such allocations were proportionate and transparent.

In summarising, the Chair referred to the following paragraph in the Mayor's decision statement:

"Although officers may come to the view that an application is poor and/or that it should not receive funding, there are from time to time cases where, when taking account of wider circumstances, projects are worth supporting in view of the perceived potential community benefits."

The Chair added that Officers had agreed to provide details of which organisations had been included under that paragraph and concerns had been raised on the questions of:

- The eligibility of private and not-for-profit bodies, as in the case of Channel S, an event might have been not for profit but the organisation holding the event was private sector.
- What constituted local community organisations?
- The matter of transparency and due diligence in assessing grant applications and the perception that this had not been undertaken in a sufficiently open manner.
- The matter of organisations whose applications included information deemed poor by Officers but grant had still been awarded – details should be provided of where the Mayor had made a decision to go against officer advice and fund an organisation and what the rationale of the Mayor was in making this decision.

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

Resolved

To refer the decision of the Mayor outside Cabinet back to the Mayor for further consideration for the reasons detailed above;

Action by:

Alan Ingram (Senior Committee Officer, Democratic Services, CE's)

7. UNRESTRICTED REPORTS FOR CONSIDERATION

7.1 Cumulative Impact Policy Brick Lane Area

Councillor Ohid Ahmed, Deputy Mayor, introduced the report and highlighted key points of the proposal, in partnership with the Metropolitan Police, to adopt a Saturation Zone for the Brick Lane area on the basis of the high levels of crime, anti-social behaviour and alcohol related harm. He stressed that this was not a ban and people could still apply for licensed premises. Public consultation had been carried out, the results of which were much in favour of the proposal.

During discussion of the report, Andy Bamber, Service Head Community Service and David Tolley, Head of Consumer and Business Regulations, replied to questions from OSC Members and the following points were raised:

- The Cumulative Impact Policy would comprise a 'rebuttal presumption' that no further alcohol licences for on and off sales would be granted or varied within the saturation zone. It would be for a potential license-holder to demonstrate that their application would not add to crime or anti-social behaviour and would not impact adversely on the local community.
- Applicants who were refused a licence had the option of appeal to the Magistrates' Court.
- As part of the Licensing Policy, the saturation zone arrangements would be reviewed every five years.
- Current licensees could carry on business as usual but any new applications or variations would have to demonstrate compliance with the new requirements.

The Chair commented that there was a broad welcome for the Cumulative Impact Policy but she had some concerns of the potential impact of the policy on employment in the Brick Lane area, and Members had noted that licensed premises provided significant job opportunities in that area. She added that Brick Lane was a key tourism destination in the Borough and licensed premises were a part of the attraction of the area to visitors. While the Committee welcomed a proactive approach to crime and anti-social behaviour in the area, it was also noted that, if there was a reduction in licensed premises, alternative approaches to ensuring the area remained an attractive destination would be required.

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

Resolved

1. That the contents of the report and the proposed Cumulative Impact Policy for the Brick Lane area attached, be noted.

2. That the advice/comments of the OSC in respect of the proposed policy, as set out above, be presented to the Mayor in Cabinet on 31 July 2013 to inform his decision making on this item of business.

Action by:

David Tolley (Head of Consumer and Business Regulations)

7.2 Overview and Scrutiny Committee Outline Work Programme 2013/14

Frances Jones (One Tower Hamlets Service Manager, Corporate Strategy & Equality Service) introduced the report setting out the work programme for the municipal year 2013-14.

Following a short discussion, the Chair **Moved** and it was:

Resolved

1. That the contents of the report and the Outline 2013-14 OSC Work Programme be noted.
2. That the Outline Work Programme be approved as set out in the report, noting that it will continue to be updated by the Chair, in consultation with the OSC.

Action by:

Frances Jones (One Tower Hamlets Service Manager, Corporate Strategy & Equality Service, CE's)

Angus Taylor (Principal Committee Officer, Democratic Services, CE's)

8. PRE-DECISION SCRUTINY OF UNRESTRICTED CABINET PAPERS

The Chair commented that, due to the postponement of the Cabinet by a week, the agenda for the Cabinet meeting had not been published and available for pre-scrutiny until shortly before the OSC meeting. An arrangement was consequently needed for agreement of pre-decision scrutiny questions/comments to be presented to Cabinet on 31 July.

The Chair **Moved** and it was:

Resolved

That any pre-decision questions/comments be submitted by email to Frances Jones by 12 noon on Monday, 29 July and that Councillor Saunders shall agree which are to go forward in consultation with Councillors Eaton, Snowdon and Miah.

Action by:

Frances Jones (One Tower Hamlets Service Manager, Corporate Strategy & Equality Service, CE's)

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

Nil items.

10. EXCLUSION OF THE PRESS AND PUBLIC

The agenda circulated contained no exempt/confidential business and there was therefore no requirement to exclude the press and public to allow for its consideration.

SUMMARY OF EXEMPT PROCEEDINGS

11. EXEMPT/ CONFIDENTIAL MINUTES

Nil items.

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 6.35 p.m.

Councillor Rachel Saunders Vice-Chair,
Overview & Scrutiny Committee