

Meeting of the

OVERVIEW & SCRUTINY COMMITTEE

Tuesday, 5 November 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 Motin Uz-Zaman Vice-Chair: Councillor Rachael Saunders, (Scrutiny Lead, Adults Health & Wellbeing)</p>	<p>Councillor Tim Archer, (Designated Deputy representing Councillor David Snowdon) Councillor Khales Uddin Ahmed, (Designated Deputy representing Councillors Motin Uz-Zaman, Rachael Saunders, Helal Uddin, Abdal Ullah and Amy Whitelock) Councillor Harun Miah, (Designated Deputy representing Councillor Fozol Miah) Councillor Peter Golds, (Designated Deputy representing Councillor David Snowdon) Councillor Helal Abbas, (Designated Deputy representing Councillors Motin Uz-Zaman, Rachael Saunders, Helal Uddin, Abdal Ullah and Amy Whitelock) Councillor Judith Gardiner, (Designated Deputy representing Councillors Motin Uz-Zaman, Rachael Saunders, Helal Uddin, Abdal Ullah and Amy Whitelock)</p>
<p>Councillor Stephanie Eaton, (Scrutiny Lead, Resources)</p>	
<p>Councillor Fozol Miah</p>	
<p>Councillor Amy Whitelock Gibbs, (Scrutiny Lead, Children, Schools & Families)</p>	
<p>Councillor Helal Uddin, (Scrutiny Lead, Communities, Localities & Culture)</p>	
<p>Councillor Abdal Ullah, (Scrutiny Lead, Development & Renewal)</p>	
<p>Councillor David Snowdon, (Scrutiny Lead, Chief Executive's)</p>	
<p>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)

Committee Services Contact:

Angus Taylor, Democratic Services,

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

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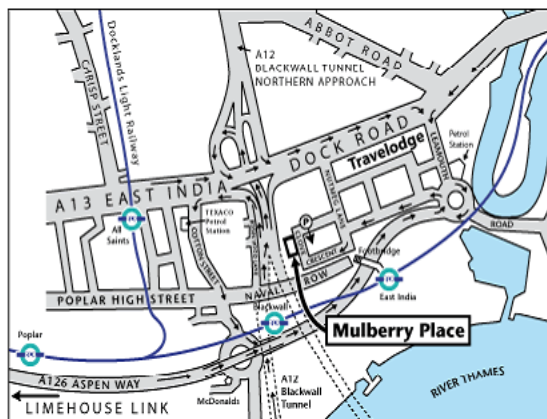
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LONDON BOROUGH OF TOWER HAMLETS
OVERVIEW & SCRUTINY COMMITTEE

Tuesday, 5 November 2013

7.00 p.m.

SECTION ONE

1. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

**2. DECLARATIONS OF DISCLOSABLE
PECUNIARY INTEREST**

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 Interim Monitoring Officer.

**PAGE
NUMBER**
1 - 4

WARDS

3. UNRESTRICTED MINUTES

To confirm as a correct record of the proceedings the unrestricted minutes of the meeting of the Overview and Scrutiny Committee held on 1 October 2013.

5 - 20

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 October 2013) in respect of unrestricted reports on the agenda were 'called in'.

To consider and adjudicate on the 'Call In' relating to the decision of the Mayor outside Cabinet – (Mayoral Executive Decision published on 10th October 2013 and Called In on 17th October 2013) detailed at agenda item 5.1 below

5 .1 Call-in of Mayoral Executive Decision 042: Community Chest and Community Events Fund - Round 3 21 - 44

6. SCRUTINY SPOTLIGHT - DEVELOPMENT AND RENEWAL DIRECTORATE

To receive an oral presentation from Councillor Rabina Khan, Cabinet Member for Housing, with a focus on Decent Homes.

7. SCRUTINY SPOTLIGHT - MAYOR

To receive an oral presentation from Mayor Lutfur Rahman.

8. UNRESTRICTED REPORTS FOR CONSIDERATION

8 .1 Reference from Council - Watts Grove Depot Project 45 - 152

8 .2 Covert investigation under the Regulation of Investigatory Powers Act 2000 153 - 160

8 .3 Complaints and Information Governance Annual Report 161 - 218

9. VERBAL UPDATES FROM SCRUTINY LEADS

10. PRE-DECISION SCRUTINY OF UNRESTRICTED CABINET PAPERS

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

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

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

12. 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.

	PAGE NUMBER	WARDS
SECTION TWO	PAGE NUMBER	WARDS
13. EXEMPT/ CONFIDENTIAL MINUTES		
Nil items.		
14. EXEMPT/ CONFIDENTIAL REPORTS 'CALLED IN'		
No decisions of the Mayor in Cabinet (9 th October 2013) in respect of exempt/ confidential reports on the agenda were 'called in'.		
15. EXEMPT REPORTS FOR CONSIDERATION		
15 .1 Reference from Council - Watts Grove Depot Project (To follow)		
16. PRE-DECISION SCRUTINY OF EXEMPT/ CONFIDENTIAL) CABINET PAPERS		
To consider and agree pre-decision scrutiny questions/comments to be presented to Cabinet.		
17. 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 INTERIM 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 Interim 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 Interim Monitoring Officer following consideration by the Dispositions 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 Interim Monitoring Officer of the interest for inclusion in the Register.

Further advice

For further advice please contact:-

Mark Norman, Interim Monitoring Officer, 0207 364 4801

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 7.10 P.M. ON TUESDAY, 1 OCTOBER 2013

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

Members Present:

Councillor Motin Uz-Zaman (Chair)
Councillor Stephanie Eaton
Councillor Amy Whitelock Gibbs
Councillor Rachael Saunders (Vice-Chair)
Councillor David Snowdon
Councillor Helal Uddin

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)

Other Councillors Present:

Councillor Abdul Asad – (Cabinet Member for Health and Wellbeing)

Guests Present:

–

Officers Present:

Ngozi Adedeji – (Team Leader Housing Services, Legal Services
Chief Executive's)
Vicky Allen – (Strategy Policy & Performance Officer, Strategy,
Corporate Strategy and Equality Service, Chief
Executive's)
Jill Bell – (Head of Legal Services (Environment), Legal
Services, Chief Executive's)
Anne Canning – (Service Head Learning and Achievement,
Education Social Care and Wellbeing)
Monica Forty – (Head of Birth to Eleven, Education Social Care
and Wellbeing)

Nazrul Islam	– (Principal Reporter Harmony, Communications, Chief Executive's)
Robert McCulloch-Graham	– (Corporate Director, Education Social Care and Wellbeing)
James Pack	– (Deputy Electoral and Operations Manager, Electoral Services, Chief Executive's)
Louise Russell	– (Service Head Corporate Strategy and Equality, Chief Executive's)
Louise Stamp	– (Electoral Services Manager, Chief Executive's)
John Williams	– (Service Head, Democratic Services, Chief Executive's)
Sarah Williams	– (Team Leader Social Care, Legal Services, Chief Executive's)
Angus Taylor	– (Principal Committee Officer, Democratic Services, Chief Executive's)

COUNCILLOR MOTIN UZ ZAMAN (CHAIR) IN THE CHAIR

1. APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of:

- Councillor Abdal Ullah, Scrutiny Lead for Development and Renewal for whom Councillor Khales Uddin Ahmed was deputising.
- Mayor Lutfur Rahman.
- Cllr Oliur Rahman, Cabinet Member for Children's Services.
- Councillor Ohid Ahmed, Deputy Mayor
- Mr John Wilkins, Deputy CE East London NHS Foundation Trust.
- David Galpin (Head of Legal Services - Community) for whom Jill Bell (Head of Legal Services - Environment) was deputising.

Noted

WELCOME

At this point the Chair welcomed those present to the meeting and in particular Robert McCulloch-Graham, Corporate Director Education Social Care and Wellbeing, newly appointed and attending on his first day in the job at LBTH. He also welcomed Councillor Abdal Asad, Cabinet Member for Health and Wellbeing, for attending for the Scrutiny Spotlight Session.

The Chair noted that water and refreshments had not been delivered. Accordingly he requested that the Executive ensure that appropriate

refreshments were provided at the next and future OSC meetings as a matter of priority.

Action by:

Angus Taylor (Principal Committee Officer, Democratic Services, CE's)
Jean Waterson (East India Dock Manager, Facilities Management)

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTEREST

No declarations of Disclosable Pecuniary Interest or other declarations of interest were made.

3. UNRESTRICTED MINUTES

Matter Arising

The Chair informed OSC members that:

- At the last OSC meeting he had indicated that:
 - He would be inviting the Mayor to attend the next OSC meeting [1st October], for one of a series of 'spotlight sessions' during the year.
 - He would also be requesting the Mayor's diary commitments on future scheduled OSC meeting dates, so as to identify an OSC meeting he could attend if he could not attend on 1st October.
- He had extended the invitation at Cabinet on 11th September and formalised this in a subsequent letter. Unfortunately the Mayor had declined the invitation, because of prior commitments and this was the fourth such declined invitation.
- In response to the Chair's written request for the Mayor's diary sheets, the Mayor had indicated he was available to attend the OSC meeting on 4th February 2014, however no details of his diary commitments on other scheduled OSC meeting dates had been provided. The Chair considered that as the spotlight was intended to focus on the challenges and opportunities the Mayor foresaw for delivery of improved quality of life for local people in the year ahead, with the passage of time the spotlight theme would be less meaningful. Additionally the Chair felt that the Mayor's attendance should be congruent with the 2013/14 OSC Work Programme and to determine this he required details of the Mayor's diary commitments on other scheduled OSC meeting dates.
- Therefore, with OSC agreement, he intended to invite the Mayor to the next OSC meeting [5th November] for the spotlight session, but also to again request details of the Mayor's diary commitments on future scheduled OSC meeting dates, should he not be able to attend the meeting on 5th November.

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

Resolved

That the unrestricted minutes of the ordinary meeting of the Overview and Scrutiny Committee, held on 10th September 2013, be agreed as a correct

record of the proceedings, and the Chair be authorised to sign them accordingly.

Action by:

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

4. REQUESTS TO SUBMIT PETITIONS

There were no petitions.

5. SCRUTINY SPOTLIGHT - EDUCATION, SOCIAL CARE AND WELLBEING DIRECTORATE

Councillor Abdal Asad, Cabinet Member for Health and Wellbeing, gave a short presentation, which provided the OSC with a requested update on several key issues including:-

- Progress towards targets for individual budgets for social care, and the support available to service users in designing their care packages.
- The number of in house homecare workers retained by the Council following service restructure, and management arrangements during the transition.
- Commissioning of service hubs for people with learning disabilities, and public health commissioning.

Robert McCulloch-Graham, Corporate Director Education Social Care and Wellbeing, Anne Canning, Service Head Learning and Achievement, and Monica Forty, Head of Learning and Achievement Birth to Eleven, were also in attendance for this item and highlighted the main challenges facing the directorate regarding delivery of improved services for children including:

- Pupil Place Planning
- Pressures facing the Special Education Needs (SEN) Service
- Legislative changes underway to SEN Policy
- Adoption targets
- Troubled Families Programme
- Academies and free schools
- Early Learning provision for eligible two year olds (detailed Powerpoint presentation with slides **Tabled**, a copy of which would be interleaved with the minutes).

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

- Consideration that Tower Hamlets was under-performing compared with other similar London Boroughs (LBs) in turning troubled families around, with clarification sought as to the reasons for this. *LBTH had undertaken significant work in this area for some time, had performed well compared with other LBs and nationally and funding had been secured for another year of the Troubled Families Programme (TFP). LBTH was innovative in approach and Job Centre Plus were now engaged with the initiative, which had previously been a block to progress.*

- Whether there were any early indications that conversion to academies and free school status, was impacting on the viability of existing community schools, as subscription to their school rolls fell. *Several schools had already converted, others conversions were underway and there would be more in the future. Pupils at an academy/ free school coming from the catchment area for other community schools, would leave places at the latter for take up by other pupils. As the market opened a displacement effect was anticipated, but this was currently manageable, and the LEA would continue to work collaboratively to serve the needs of the community given it had no legal powers over such schools.*
- What were the potential consequences of not meeting the statutory entitlement to early learning provision for two year olds (providing the required pupil places). Also whether Children's Centres provision was included in the figures for early learning provision for two year olds. *Government appeared to now realise that expectations of two year old provision placed on local councils were unrealistic/ undeliverable and was looking for ways to scale back required provision. Children's Centres were not included unless they operated a linked childcare project for two year olds.*
- Was there sufficient capital funding for two year olds pupil places, given it was understood a bid for Mainstream Grants Programme funding for a nursery scheme had been unsuccessful. *The Council was focused on optimising numbers of pupil places for 2 year olds from spend. Approximately £1.2 million funding was available but over £10 million (based on benchmarking with comparative boroughs) was required to meet the number of places currently required.*
- Concern also expressed that capacity was stretched to provide free provision of early learning provision for two year olds, for those eligible, and also 15 hours of this did not fully support families back into employment, what provision was their to top up. *Parents in work lost eligibility for free provision of early learning places, unlike those on welfare benefits, and this did result in a tension around provision which the Fairness Commission was examining.*
- Both Mayor Rahman and Government had now announced initiatives to provide free school meals; was there a difference in the eligibility criteria, and if the Government scheme would cater for all those intended to benefit from the Mayor's scheme what would funding for the latter now be used for. *Free school meals would be provided to all those eligible under the schemes, and Officers were currently working through the financial implications with the Mayor and Cabinet Member for Children's Services.*
- Absence of a Health and Wellbeing Board (HWB), required under statute since April 2013, and the consequences of that given an understanding that Government Funding of £10 million was at risk unless agreed by such a board. Also commented that despite the remit of the Health Scrutiny Panel to scrutinise Public Health, requests from its Chair to be provided with the agenda papers of the Shadow Health & Wellbeing Board had not been met, and this was a minimum requirement if Board meetings were not public and attendance was by invitation. *Government had emphasised*

*the importance of the HWB role regarding Public Health and Adult Social Care and discussions were underway between relevant stakeholders and the Cabinet Member Health and Wellbeing hoped the HWB would be formally established soon. In the meantime he chaired the Shadow Board considered substantive issues as required eg Care Quality Commission inspections underway at Barts and the London NHS Trust. **Officers would ensure future provision of such agenda papers to the HSP Chair.***

- Assurance sought and given, in the context of anecdotal evidence received, that the commissioning budget for care packages for the disabled had not been reduced. Had there been changes to the care packages for those on personalised budgets? *A time limited pilot project with Real[to provide a support planning service for individuals designing care packages] had now ended and all support was provided in-house; there was no reduction in support.*
- Assurance sought and given on the extension of the in-house contract for Domiciliary Care, given discrepancies in information provided on staff numbers and conditions. Was in-house service provision being moved onto provision by contract, and was this a choice or requirement? *The quality of the homecare service for existing service users was being safeguarded, but it was no longer accepting referrals. There would be a further review of staffing should numbers fall.*
- Given the difficulties in identifying suitable properties for provision of early learning pupil places, what consideration had the Mayor given to using Council assets for this rather than sale to generate income. Had the Cabinet Member with portfolio pressed the case for this approach with the Mayor. Provision of early learning pupil places for two year olds had been added to the key criteria considered by Officers in Development and Renewal directorate when considering the future use/ disposal of assets **(Cabinet Member undertook to provide a more detailed written response)**. However it should be noted that large empty buildings may not be appropriate for such provision, as outside space was key; also revenue funding additional to any LEA grant for a 2 year old provision was essential for project viability.
- What duration of training was required for Child Care staff to reach level 2 or 3 standard. Given the anticipated demand a strategic approach with Development & Renewal to engage local training and education providers to train local residents for this would have multiple benefits. *At least a year of training to Level 2. Officers concurred further strategic work in this area would be beneficial although the workforce development team had already examined apprenticeship models with the University of East London and Tower Hamlets College, although this model had disadvantages.*
- Requested that the **Powerpoint presentation** on Early Learning provision for eligible two year olds **be emailed to all OSC members.**

The Chair:

- Commented that as OSC Chair he would be pleased to put the case on the use of Council assets for the provision of early learning pupil places for two year olds to the Mayor.
- Thanked Councillor Asad and Robert Anne and Monica for attending the Scrutiny Spotlight session.
- **Moved** and it was:-

Resolved

That the information given in the scrutiny spotlight presentations, be noted.

Action by:

Robert McCulloch-Graham (Corporate Director Education Social Care and Wellbeing)

Anne Canning (Service Head Achievement & Learning, ESCWB)

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

6. SCRUTINY SPOTLIGHT - MAYOR

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

7. UNRESTRICTED REPORTS 'CALLED IN'

The clerk informed OSC members that:

- No unrestricted decisions of the Mayor in Cabinet on 11th September 2013 had been "Called In".
- No recent unrestricted decisions of the Mayor outside Cabinet, taken under executive powers, had been "Called In".

8. UNRESTRICTED REPORTS FOR CONSIDERATION

Variation of Order of Business

At this juncture the Chair informed OSC members that he considered it appropriate that the Order of Business be varied so that agenda items 8.1 and 8.2 were considered in reverse order to that detailed in the agenda, to ensure Officers in attendance for the Scrutiny Spotlight and agenda item 8.2 not be unnecessarily delayed from leaving the proceedings. Accordingly the Chair **Moved** and it was:-

Resolved

That the Order of Business be varied as below:

- Agenda Item 8.2 "Reviewing the impact of the Children's Centres restructure – report of the Scrutiny Working Group Progress Report" be considered as the next business.
- Agenda Item 8.1 "Electoral Matters Update" be considered thereafter.
- Subsequently the OSC 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.

8.1 Electoral Matters Update

Please note that the order of business was varied by resolution of the OSC earlier in the proceedings to allow this item of business to be considered after agenda item 8.2. However for ease of reference, OSC deliberations in respect of agenda item 8.1, and subsequent decisions taken, are set out below in the order detailed in the agenda.

Mr John Williams, Service Head Democratic Services and also Returning Officer and Electoral Registration Officer, introduced and highlighted key points in the report, which provided an update on various matters concerning electoral registration and the conduct of elections, including the development of a local protocol and other ongoing work in liaison with the Metropolitan Police Service (MPS) and the Electoral Commission to ensure the integrity of the electoral registration and election processes. Louise Stamp, Electoral Services Manager, and James Pack, Deputy Electoral and Operations Manager, were also in attendance for this item.

- Regarding the current electoral canvass a publicity leaflet on the canvass arrangements had also been **Tabled**, a copy of which would be interleaved with the minutes.
- In relation to the review of polling districts and polling places, responses to consultation were currently being processed with final proposals to be submitted to General Purposes Committee on 18th December.

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

- Given the concerns expressed regarding alleged postal vote (PV) fraud in recent Council by-elections (although in the great majority of associated complaints no actual fraud had been found), what measures were being taken to prevent PV fraud at the important elections in May 2014. *All such complaints had been thoroughly investigated by the MPS and the outcome reported to a recent OSC meeting. The proposed Local Protocol included a dedicated email address for complaints and there was an undertaking to investigate these within 24 hours. The MPS had also undertaken to feedback on all investigations, initially within 48 hours.*
- Comment that the “Local Protocol” had no standing in Law, if breached; clarification therefore sought and given as to the Officer rationale for considering it would be more effective than previous protocols, also as to consequences/ sanctions for candidates who did not sign up to it. *The Protocol did not have any force in Law, and if candidates refused to sign it they could not be forced to do so. However Officers anticipated that most would be willing to sign up to it and would want to be seen to be doing so, and this would raise the profile of issues the Council was trying to address.*
- Clarification sought and given as to what measures were being taken to ensure electoral canvassers could gain entry to residences in

secure/gated blocks. The initial canvass forms were being delivered by Royal Mail and if they did not respond, this would provide a basis to take the matter up with managing agents of the properties for a visit by the canvasser in January. If required the canvasser could be accompanied by a Tower Hamlets Enforcement Officer (THEO) who would film attempted access and denial thereof by security. Legal Services advised that refusal of entry and evidence thereof would be sufficient to take legal proceedings.

- Clarification sought and given, that the election timetable allowed sufficient time to undertake a legal process to access approximately 9000 residences in secure blocks before the revised 2014 register was published.. *Canvassers would finish their work in December and could be utilised for canvass work on such residences. They would be allocated 2 or 3 such blocks which allowed sufficient time for them to complete before publication.*
- Clarification sought and given regarding mechanisms in place to detect electoral fraud through registration of additional voters up to the threshold of 6 per household which was known to trigger investigation. How would fraudulent additions of 1 or 2 voters be detected, or a significant proportion of 2 additions in a block? Also 2 bedrooms with 10 or more people registered? Consideration that Officers should comprehensively examine issues around “additions” and associated preventative measures, and report back to the OSC. *Now the Electoral Canvass had started there would be no additions to the register until the Register was published in February. Checks would be carried out where more than 6 additions to a household were registered (pre Register publication and pre Election registration deadline). All applications to register after February would be monitored and subject to stringent checks, two additional staff had been recruited for this. There would also be monthly analysis of voter growth by ward, with a data analyst recruited for this. When new tenants request a voter registration form Officers would ask if other electors at the address, should remain registered and where new electors had moved from.*
- Clarification sought and given regarding the Communications Strategy for the 2014 elections and elements to:
 - To address the complex issues of the 2014 elections (new wards and polling districts, new polling places and 3 different elections with different voting systems)
 - To combat resident perceptions of electoral fraud and instill confidence in the integrity of election arrangements.
 - Convey zero tolerance by the Council and the MPS of fraudulent registration and allowing empty properties to be used for this.
 - That visiting houses where there are postal voters, filling in the forms for voters and then obtaining their signature would not be tolerated.
 - To instill that each elector should vote for the candidate of their choice and alert them to potential criminal charges if they were not.*Discussions with the MPS on combating electoral fraud and the associated Communications Strategy had started some time ago and the MPS would be playing a key pro-active role. There would be a very large outreach initiative, and a lengthy and comprehensive advertising*

campaign to deal with the complex messages needed, and this would include a clear message on the criminal consequences to expect for electoral and PV fraud.

- Clarification sought and given regarding measures in place to prevent theft of PVs delivered and left visible in or on top of communal mailboxes in lobbies. Also for Royal Mail (RM) delivery to prevent information leakage on delivery dates and for the MPS to be informed of dates for hand delivery. *Those delivering PVs would be doing so by hand (not mail service) and would be instructed not to leave them in communal areas. Only the MPS would be informed of PV delivery dates.*
- Clarification sought and given regarding procedures if voters attended polling stations to vote, but were informed they had registered to vote by post. *Presiding Officers were all trained on the process and incidents were recorded and investigated after the election.*
- Concern expressed that the use of THEOs with delegated powers to move on election campaigners outside polling places [para 8.4], may present them with a conflict of interest given political candidates once elected might effectively become their employer. *Such action would be undertaken jointly by THEOs and Police Constables (PCSOs) with the latter anticipated for hot spots.*
- *Consideration that the language of the Local Protocol [section 8 pg 25] should be revised as it appeared to encourage campaigning outside polling places. Mr Williams undertook to examine this.*

The Chair summarised that

- The OSC welcomed work undertaken so far to ensure the integrity of electoral registration and 2014 election arrangements, including data matching checks using Council Tax and Housing Benefit records to help prevent electoral fraud. However Officers should comprehensively examine issues around “additions” and associated preventative measures, and report back to the OSC at a point agreed in consultation with the OSC Chair.
- The report to OSC should also encompass all possible means to protect the reputation of the Council in relation to the integrity of electoral registration and 2014 election arrangements, and the mandate of whoever was elected.
- The OSC also welcomed the proposed Communications Strategy encompassing a pro-active role for the MPS and would welcome the opportunity to provide input to strengthen it and engage the community further.
- The OSC considered that wherever possible the Borough Commander, through the Safer Neighbourhood Teams should ensure police officers rather than THEOs were used to move on election campaigners from outside polling places, in order to prevent a conflict of interest for THEOs.

The Chair also informed the OSC that at their last meeting he had emphasised the importance of politicians of all parties ensuring, in the lead up to local elections in 2014, that external partners such as the Borough Commander and Faith Leaders were not exposed to political crossfire. In this

context, he had written to the Borough Commander asking him to consider taking steps to protect his position, and that of the MPS, from such crossfire; including writing to the Mayor and leaders of all political groups at LBTH to request that his consent was obtained before they used film/ photos containing MPS Officers.

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

Resolved

1. That the contents of the report be noted; and
2. That a further comprehensive report on arrangements to ensure the integrity of electoral registration and the 2014 elections be presented for OSC consideration.

Action by:

John Williams (Service Head Democratic Services, Returning Officer, Electoral Registration Officer)

Louise Stamp (Electoral Services Manager)

8.2 Children's Centre Scrutiny Review Update

Please note that the order of business was varied by resolution of the OSC earlier in the proceedings to allow this item of business to be considered before agenda item 8.1. However for ease of reference, OSC deliberations in respect of agenda item 8.2, and subsequent decisions taken, are set out below in the order detailed in the agenda.

Councillor Amy Whitelock Gibbs, Scrutiny Lead Children Schools & Families, introduced the report, which provided a progress update on implementation of recommendations arising from the Scrutiny Review "Reviewing the impact of the Children's Centres (CCs) restructure" (May 2012) and subsequent OSC review of progress (April 2013) resulting in additional recommendations and requests for further information. Monica Forty, Head of Learning and Achievement Birth to Eleven, were also in attendance for this item and highlighted progress on implementation of the Review recommendations since April 2013.

- Publicising the services on offer in new Children's Centres - *information now available on the Council website.*
- Children's Centres Funding and Office Assistants/ Receptionists – *Funding had been identified for backdated pay in the restructure period, and also to recruit temporary staff to cover some vacant posts/maternity leave, however the service was operating at the margins now. There was no funding to increase capacity and any future savings required would result in a reduction in frontline staff.*
- Robust data collection – *Ofsted inspections of Governance, Communications and data were underway and going well, so any requirements arising around data collection would soon known. LBTH was*

linking up with Barking & Dagenham, noted for good practice in data capture/ analysis to undertake work on this in 2013/14. However an additional data analyst post was needed.

- Innovative Communications – *text and group calls service to communicate with parents hoped to commence in November but there remained some Legal/ technical/ training issues to address. The Parents Forum had been rejuvenated although stricter membership rules were required.*

The Chair requested that as work was undertaken to take forward the Scrutiny Review recommendations, that Officers kept Councillor Whitelock Gibbs, Scrutiny Lead Scrutiny Lead Children Schools & Families informed of progress. He then **Moved** and it was:-

Resolved

The contents of the report be noted.

Action by:

Vicky Allen (Strategy Policy & Performance Officer, Corporate Strategy & Equality Service, CE's)

9. VERBAL UPDATES FROM SCRUTINY LEADS

No updates were given.

10. PRE-DECISION SCRUTINY OF UNRESTRICTED CABINET PAPERS

The Chair commented that, due to the postponement of the October Cabinet meeting by a week, the agenda 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 the Mayor in Cabinet on 9th October.

Councillor Rachael Saunders, OSC Vice-Chair, considered that the report "Community Infrastructure Levy (CIL) – Revised Draft Charging Schedule" in the October Cabinet agenda lacked clarity. Accordingly Councillor Saunders proposed that Officers draft a briefing note for all OSC members regarding the nature of CIL and the implications of the anticipated reduction in Section 106 resources for the Council.

The Chair **Moved** (taking account of the proposal from Councillor Saunders) and it was:

Resolved

1. That any pre-decision questions/comments be submitted by email to Frances Jones by 12 noon on Monday, 7th October and that the Chair agree which were to go forward to the Mayor in Cabinet on 9th October, in

consultation with Councillor Saunders, OSC Vice-Chair, and a Minority Group Member.

2. That a briefing note regarding the nature of CIL and the implications of the anticipated reduction in Section 106 resources for the Council, be circulated to all OSC members.

Action by:

Frances Jones (One Tower Hamlets Service Manager, Corporate Strategy & Equality Service, CE's) (Resolution 1)

Owen Whalley (Service Head Planning & Building Control, Development & Renewal) (Resolution 2)

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

11.1 References from full Council 18 September 2013

(1) Watts Grove Depot Project & financial mechanisms for Dame Colet House & Poplar Baths projects

(2) Executive Mayor's Car

The Chair informed OSC members that the full Council (18th September) had:-

- Considered a motion submitted by Members of the Council and agreed to "instruct the OSC to investigate the reasons for the collapse of the Watts Grove Depot project, and the sustainability and suitability of the financial mechanisms used to fund Dame Colet House and Poplar Baths and to report back to full Council (27th November) on its findings."
- Considered the report of the Acting Corporate Director Resources in relation to the Executive Mayor's Car, and agreed "That, in line with the Overview and Scrutiny Procedure Rules, the OSC be requested to review the report and the issues it raises and to report their findings back to Council."

The Chair **Moved** and it was:

Resolved

1. That:-
 - (a) Watts Grove Depot Project & financial mechanisms for Dame Colet House & Poplar Baths projects be included in the 2013 14 OSC Work Programme.
 - (b) The Executive Mayor's Car be included in the 2013 14 OSC Work Programme.

- (c) That both items be placed on the agenda for consideration at the next OSC (5th November), with a view to reporting OSC findings to full Council on 27th November; and
- 2. That, to enable the OSC to undertake full/ appropriate scrutiny of the issues (set out at resolution 1 above) and reach an informed decision/ conclusion, that
 - (a) The Corporate Director Development and Renewal be instructed to prepare a comprehensive report, containing all relevant information on the matter referred to at resolution 1(a) above, for OSC consideration.
 - (b) The Acting Corporate Director Resources be instructed to prepare a comprehensive report, containing all relevant information on the matter referred to at resolution 1(b) above, for OSC consideration.

Action by:

Aman Dalvi (Corporate Director Development and Renewal) [Resolution 1a, 1c and 2a]

Chris Holme (Acting Corporate Director Resources) [Resolution 1b, 1c and 2b]

Angus Taylor (Principal Committee Officer, Democratic Services, CE's) [Resolution 1 & 2]

FAIRNESS COMMISSION REPORT

The Chair informed OSC members that given the Fairness Commission (FC) report had been due to be launched/ issued on 30th September, with the Mayor to respond to its recommendations in due course, he had considered it would be more appropriate for the OSC to consider the FC report after the Mayor has made his response (rather than at the OSC meeting that evening as scheduled in OSC Work Programme), and had asked Officers to re-schedule the item accordingly.

Councillor Rachael Saunders, OSC Vice-Chair, commented that it was disappointing/ regretful that OSC had not been consulted or engaged by the FC, before their report was published, as she considered its broadbrush report could have been strengthened by such engagement. The OSC in other boroughs had been an integral and helpful element in the FC process, and Councillor Saunders had requested previously that the FC attend the OSC in LBTH.

Action by:

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

12. 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.

The meeting ended at 9.00 p.m.

Chair, Councillor Motin Uz-Zaman
Overview & Scrutiny Committee

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Agenda Item 5.1

Committee: Overview & Scrutiny	Date: 5 th November 2013	Classification: Unrestricted	Report No.
Report of: Service Head, Democratic Services Originating Officer(s): Antonella Burgio Committee Officer, Democratic Services		Title: Mayoral Executive Decision Call In: Decision Log No: 042 Community Chest & Community Events Fund – Round 3 Wards: All	

1. SUMMARY

- 1.1 The attached report “Community Chest and Community Events – Round 3” was considered by the Mayor on 9th October 2013 (Mayoral Executive Decision published on 10th October 2013) and has been “Called In” by Councillors Peter Golds, Gloria Thienel, Dr Emma Jones, Tim Archer and Craig Aston. This is in accordance with the provisions of Part Four Sections 16 and 17 of the Council’s Constitution.

2. RECOMMENDATION

- 2.1 That the OSC consider the contents of the attached report, review the Mayor’s decisions (provisional, subject to Call In) arising; and
- 2.2 Decide whether to accept them or refer the matter back to the Mayor with proposals, together with reasons.

3. BACKGROUND

- 3.1 The request (dated 16th October 2013) to “call-in” the Mayor’s decision published on 10th October 2013 was submitted under Overview and Scrutiny (OSC) Procedure Rules Sections 16 and 17. It was considered by the Monitoring Officer who has delegated responsibility for calling in Mayoral decisions in accordance with agreed criteria.
- 3.2 The Call-In request fulfilled the required criteria and the Mayor’s decision is referred to OSC in order to consider whether or not to refer the matter back to the Mayor for further consideration.
- 3.3 Implementation of the Mayoral decision is suspended whilst the “Call In” is considered.

4. THE MAYOR’S PROVISIONAL DECISION

- 4.1 The Mayor after considering the report attached, at Appendix 1, provisionally decided:-

“NON KEY DECISION

I have considered the information and advice on the award of the Community Chest and Community Events grants as detailed in the report. I have considered whether or not this is a Key Decision under Article 13 of the Constitution. In making this decision I am of the view that:-

- The applications for the Community Chest are for a maximum award of £10,000 and the Community Events a maximum of £5,000
- The funding decisions are not of such import to result in substantial public interest.
- The total funding of these awards represents less than 2.5% of the grant awards in the current year.

In light of the above and taking all other considerations into account, I am content that the decision to make the awards as recommended by the Corporate Grants Board is a non key decision.

I have decided to accept the recommendation of the Corporate Grants Board and I agree that the awards as detailed in the appendices to the report are made to the stated groups.

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.

I have therefore asked officers to ensure arrangements are in place to put processes in place to support those organisations, through increased due diligence, requests for clarification or additional information. Alternatively issues may be dealt with through the grant negotiation process, whereby conditions are placed on the funding.”

4.2 Reasons for Decisions

4.2.1 The Mayor stated that his decision was based on the following reasons:-

- The applications have been assessed in accordance with the processes for Corporate Grants and is recommended by the Corporate Grants Board
- The projects represent benefits to a good cross section of the Tower Hamlets Community

4.2.2 The Corporate Grants Board report entitled “Community Chest Fund and Community Events Fund – Round 3” also sets out Reasons for Decision at paragraph 3.1 and 3.2 of its report to the Mayor. This is appended to the Individual Mayoral Decision Proforma.

4.3 Alternative Options Considered

4.3.1 The report entitled “Community Chest Fund and Community Events Fund – Round 3” sets out Alternative Options at paragraphs 4.1 and 4.2.

- An alternative option would be to decide not to fund any of the organisations which have applied for grants and to use the funds for other purposes for example, the larger types of project typically associated with Mainstream Grants.
- However, because opportunities to bid into the Community Chest Fund and Community Events Fund have been widely advertised, expectations have been raised and to cancel these programmes after a large number of organisations have submitted applications in good faith would lead to wide disappointment.

5. REASONS AND ALTERNATIVE COURSE OF ACTION PROPOSED FOR THE ‘CALL IN’

5.1 The Call-in requisition signed by the five Councillors listed gives the following reason for the Call-in:

- Inadequate level of consultation and assessment with regard to certain applications. It is not clear that these proposals represent best value for money for local taxpayers.
- We note that organisations providing a cross-community service such as the Citizens Advice Bureau was refused a grant on the extraordinary grounds that “it did not meet priorities for this grant”.
- A number of grant recipients are organisations which should either be self-sufficient or independent, such as certain so called media organisations. There are also other organisations which have received council funding in the past year.
 - For the second year in a row, the Bangla Mirror receives several thousand pounds towards the gala dinner launch of Bangladeshi “Who’s Who”
 - Bangla TV received funding for a Mela
 - Al-Ishra receives another four figure sum for a deaf awareness event, following on from the event last year

5.2 Alternative action proposed:

Overview and Scrutiny is asked to refer this back to the Mayor with the recommendation that the Mayor does not grant this funding.

In addition the Mayor should publish all advice and recommendations to the Grants Panel by officers and in all cases where the Grants Panel has made recommendations not in accordance with officers recommendations, there should be a full explanation, with reasons for the variation.

6. CONSIDERATION OF THE “CALL IN”

6.1 Having met the “Call In” request criteria, the matter is referred to the OSC in order to determine the “Call In” and decide whether or not to refer the matter back to the Mayor for further consideration.

6.2 The following procedure is to be followed for consideration of the “Call In”:

- (a) Presentation of the “Call In” by one of the “Call In” Members followed by questions from members of OSC.
- (b) Response from the Lead Member/officers followed by questions from members of OSC.
- (c) General debate followed by OSC decision.

N.B. In accordance with the OSC Protocols and Guidance adopted by the Committee at its meeting on 4th June, 2013, any Member(s) who present(s) the “Call In” is(are) not eligible to participate in the general debate.

6.3 It is open to the OSC to either resolve to take no action (which would have the effect of endorsing the original Mayoral decision/s), or to refer the matter back to the Mayor for further consideration setting out the nature of its concerns and possibly recommending an alternative course of action.

7. COMMENTS OF THE CHIEF FINANCIAL OFFICER

7.1 Funding was set aside as part of the budget process to establish a Community Chest fund of £250,000 in 2012-13 and £338,000 in 2013-14. In addition, a Community Events Fund was also set up, with total “one off” funding of £100,000. In the case of both funds, resources were carried forward between 2012-13 and 2013-14 to meet outstanding commitments relating to the grants awarded.

7.2 The report on which the decision was based, was the second to be considered by the Corporate Grants Programme Board to allocate funding from the Community Chest and Community Events resources. On 11th April 2013 the board approved a total of £301,212 for the Community Chest and £68,150 for Community Events, leaving unallocated balances of £286,788 and £31,850 respectively.

7.3 The various bids received subsequently have been independently assessed by the Council’s Third Sector team, and the recommended rewards, based on officer

assessment, were outlined in Appendices 1 & 2 to the report on which the decision was based. The recommended bids totalled £93,000 for the Community Chest and £66,410 for Community Events.

- 7.4 The overall financing summary was shown in the table in paragraph 1.4 of the original report. As can be seen, the proposed allocations can be contained within resources, and if all are approved an unallocated balance of £193,788 will remain. However, the proposed awards for the Community Events element exceed the resources available by £34,560. In order for these schemes to progress, funding to this value must be identified and made available from other sources. One possible option is that the Board agrees to allocate an element of the uncommitted Community Chest funding for this purpose.
- 7.5 Grant payments will be made in stages to the successful organisations. In part these will be dependent on the achievement of various delivery milestones. It is essential that the targets and grant criteria are met to ensure that the Council's resources are protected.
- 7.6 Any change of policy as to awards will have to be contained within the budget set out in paragraph 7.1 above.

8. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES)

- 8.1 The Mayor's decision has been called-in in accordance with the Overview and Scrutiny Procedure Rules set out in the Council's Constitution. The alternatives presented in paragraph 2.2 of the recommendations in this report are options available to the Committee under the Overview and Scrutiny Procedure Rules.
- 8.2 Legal comments relevant to the Mayor's decision are set out in the report on which the decision was based.
- 8.3 In considering what action to take, the Committee must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't.

9. APPENDICES

- Appendix 1 - "Call In" Requisition
- Appendix 2 – Mayoral Decision Log No: 042 "Community Chest And Community Events Fund – Round 3"

Local Government Act, 1972 Section 100D (As amended)

List of "Background Papers" used in the preparation of this report	
Brief description of "background paper"	Name and telephone number of holder and address where open to inspection
None	

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Received 17/10/13
11.07am

LONDON BOROUGH OF TOWER HAMLETS

OVERVIEW AND SCRUTINY COMMITTEE

"CALL IN" REQUISITION

I / WE THE UNDERSIGNED WISH TO "CALL IN" FOR CONSIDERATION BY THE OVERVIEW AND SCRUTINY COMMITTEE OF THE LONDON BOROUGH OF TOWER HAMLETS THE PROVISIONAL DECISION (S) OF THE CABINET TAKEN ON THE 10th DAY OF OCTOBER.....2013 IN RELATION TO THE REPORT SHOWN BELOW:

REPORT TITLE/NO. Community Chest and Community Events Fund - Round 3

- Councillor [Signature] (Sign) PETER GORDON (Print)
- Councillor [Signature] (Sign) CRAIG ASTON (Print)
- Councillor [Signature] (Sign) GLORIA R THIENEL (Print)
- Councillor [Signature] (Sign) TIM ARCHER (Print)
- Councillor Emma Jones (Sign) EMMA JONES (Print)

Decisions can also be "Called In" by 2 Church, Faith or Parent Governor representatives who have been co-opted to membership of the Committee.

- Co-opted Member _____ (Sign) _____ (Print)
- Co-opted Member _____ (Sign) _____ (Print)

Dated 16 OCT 13

Once completed please return to John S Williams, Service Head, Democratic Services
Telephone: 020 7364 4204 Fax: 020 7364 3232

LONDON BOROUGH OF TOWER HAMLETS


OVERVIEW AND SCRUTINY COMMITTEE – 2013/2014

“CALL IN” REQUISITION

<u>AGENDA ITEM NO.</u>	
<u>REPORT TITLE/ DATE OF CABINET MEETING</u>	Community Chest and Community Events Fund – Round 3 Mayoral Executive Decision published Thursday 10 th October
<u>REASONS FOR “CALL IN”</u>	<p>Inadequate level of consultation and assessment with regard certain applications. It is not clear that these proposals represent best value for money for local taxpayers.</p> <p>We note that organisations providing a cross community service, such as the Citizens Advice Bureau was refused a grant on the extraordinary grounds that “it did not meet priorities for this grant”.</p> <p>A number of grant recipients are organisations which should either be self-sufficient or independent, such as certain so called media organisations. There are also other organisations which have received council funding in the past year.</p> <ul style="list-style-type: none">• For the second year in a row, the Bangla Mirror receives several thousand pounds towards the gala dinner launch of a Bangladeshi “Who’s Who”• Bangla TV receives funding for a Mela• Al-Ishra receives another four figure sum for a Deaf Awareness event, following on from the event last year.
<u>ALTERNATIVE COURSE OF ACTION PROPOSED</u>	<p>Overview and Scrutiny is requested to refer this back to the Mayor, with the recommendation that the Mayor does not grant this funding.</p> <p>In addition the Mayor should publish all advice and recommendations to the Grants Panel by officers and in all cases where the grants panel has made recommendations not in accordance with officers recommendation, there</p>

	should be a full explanation with reasons for the variation.
<u>WITHIN THE COUNCIL'S POLICY OR BUDGET FRAMEWORK - Please indicate</u>	Yes

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Individual Mayoral Decision Proforma Decision Log No: 42	 TOWER HAMLETS
Report of: Corporate Director Development and Renewal	Classification: Unrestricted
Community Chest & Community Events Fund – Round 3	

Is this a Key Decision?	No
Decision Notice Publication Date:	Individual Notice
General Exception or Urgency Notice published?	Not required
Restrictions:	N/A

1. EXECUTIVE SUMMARY

- 1.1 Since the launch of above the Community Chest and Community Events funds, the Corporate Grants Programme Board meetings held on 11th April and 11 June 2013 respectively have been recommended for consideration by the Mayor. Total awards of £407,805 for Community Chest projects: (round 1, £301,212; and round 2, £106,593). And in respect of Community Events, a total of £134,600 was recommended: (round 1, £68,150; round 2 £66,450. Both of these sets of recommendations were subsequently approved by the Mayor.
- 1.2 It has been agreed that the Community Chest programme be temporarily suspended (pending a review) and that the residual funds be transferred to the Community Events budget.
- 1.3 For the Community Chest Fund, in line with the Mayor's decision to temporarily suspend this programme but with a limited budget of up to £30,000, to deal with 'overspill applications' this report only considers 10 applications with a total proposed award value of £18,500, out of total requested amount of £80,605.
- 1.4 Were the proposed awards to be accepted and recommended by the Board and subsequently approved by the Mayor, a total of £11,500 would be available to transfer to the Community Events fund.
- 1.5 For the Community Events Fund, 20 applications have been received for this third round. These have been considered against the agreed eligibility and assessment criterion and awards with a total value of £34,500 proposed from a total amount requested of £83,872. Were

proposed awards to be approved (and bearing in mind the decision to transfer funds from the Community Chest budget) £81,095 would remain available in this fund.

1.6 The table below provides a financial summary of the current position.

	Community Chest	Community Events
Budget 2012-13	£250,000	£100,000
Budget 2013-14	£338,000	
Total 2012-14	£588,000	£100,000
Approved Awards Round 1 April 2013	£301,212	£68,150
Approved Awards Round 2 June 2013	£106,593	£66,450
Remaining funds available 2013-14	£180,195	-£34,600
Effect of decision re suspension of Community Chest and transfer of funds	£30,000	£150,195
Proposed Awards Round 3	£18,500	£34,500
Balance available for remainder of 2013/14 (if above proposed awards are agreed)	£11,500*	£81,095

* Residual funds to be added to Community Events budget

1.7 Details of applications received for which awards are recommended are summarised below. Decisions on these applications are now required in order that the Council is able to meet its commitment to the making grants available to successful organisations, to enable all applicants to be notified of the outcome of their applications, to enable to processing of Grant Agreements and for initial stage payments to be processed for successful projects.

The Mayor is recommended to:

1. Agree the proposed awards for Community Chest Funding totalling £18,500 as set out in APPENDIX 1 below
2. Agree the proposed awards for Community Events Funding totalling £34,500 as set out in APPENDIX 2 below
3. Authorise officers to issue Grant Agreements for the Community Chest and Community Events Funds in line with established procedures to and implement the agreed payment and monitoring arrangements.

NON KEY DECISION

I have considered the above information and advice on the award of the Community Chest and Community Events grants as detailed in the report. I have considered whether or not this is a Key Decision under Article 13 of the Constitution. In making this decision I am of the view that:-

- The applications for the Community Chest are for a maximum award of £10,000 and for the Community events a maximum of £5,000.
- The funding decisions are not of such import to result in substantial public interest.
- The total funding for these awards represents less than 2.5% of the grant awards in the current year.

In light of the above and taking all other considerations into account, I am content that the decision to make the awards as recommended by the Corporate Grants Board is a non key decision.

I have decided to accept the recommendation of the Corporate Grants Board and I agree that the awards as detailed in the Appendices to the report are made to the stated groups.

In considering those recommendations I have questioned four Community Chest funding applications where the proposed funding awards, as listed in Appendix 1 had negative comments originating from programme officers against them.

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.

I have therefore asked officers to ensure arrangements are in place to put processes in place to support those organisations through increased due diligence, requests for clarification or additional information. Alternatively, issues may be dealt with through the grant negotiation process, whereby conditions are placed on the funding.

My decision is based on the following reasons:-

- The applications have been assessed in accordance with the processes for Corporate Grants and is recommended by the Corporate Grants Board.
- The projects represent benefits to a good cross section of the Tower Hamlets community.

Signed 

Executive Mayor

Dated 09/10/13

APPROVALS

1. (If applicable) Corporate Director proposing the decision or his/her deputy

I approve the attached report and proposed decision above for submission to the Mayor.

Signed  Date 1/10/2013

2. Chief Finance Officer or his/her deputy

I have been consulted on the content of the attached report which includes my comments.

Signed  Date 9/10/13

3. Monitoring Officer or his/her deputy

I have been consulted on the content of the attached report which includes my comments.

(For Key Decision only – delete as applicable)

I confirm that this decision:-

- (a) has been published in advance on the Council's Forward Plan OR
- (b) is urgent and subject to the 'General Exception' or 'Special Urgency' provision at paragraph 18 or 19 respectively of the Access to Information Procedure Rules.

Signed  Date 9/10/13

4. Mayor

I agree the decision proposed in paragraph above for the reasons set out in paragraph X in the attached report.

Signed  Date 9/10/13

APPENDIX 1 - Community Chest Fund

Community Chest - Round 3 September 2013					Rationale	CGPB Recomm endation £
Ref	Organisation Details	Outline of Requested Support	Grant Request £	Proposal £		
CC151	Mile End Community Project 111 Eric Street, Mile End, London E3 4TL	The organisation requested funds for: - business plan development - quality mark accreditation - fees for website development and branding - fees for accountancy services - core staff costs	£10,000	£7,000	<ul style="list-style-type: none"> • Some items for which funding is requested are out of scope of CCF • Costs of some other items appear to be too high 	£7,000
CC152	Women's Environmental Network 20 Club row, London E2 7EY	The organisation requested funds for: - strategic plan development - staff and volunteer training - upgrading of IT equipment - contribution to core costs	£8,045	£2,000	<ul style="list-style-type: none"> • Admin costs are outside CCF scope • Some training does not seem relevant for all members of staff and volunteers 	£2,000
CC153	Amra Kojon 8 Fordham Street, London E1 1HS	The organisation requested funds for: - a range equipment and materials - training for MC members, staff & volunteers - business plan development	£5,540	0	<ul style="list-style-type: none"> • Organisation does not appear to be viable. Nor is there any information about what work it is currently doing • Organisation is unregistered, has no insurance and seems to be asking for setting up costs which is outside remit for this fund 	£0

CC154	London Advice Centre Unit 306A Business Centre, 7 Whitechapel Rd, London E1 1DU	The organisation requested funds for: - IT equipment - insurance - resource materials i.e. books & journals to support the provision of advice service - adviser salary costs	£9,986	0	<ul style="list-style-type: none"> • Applicant is asking for setting up costs and core costs that are outside the remit of this fund • Organisation does not have the required Quality mark to provide Advice services • Applicant should be encouraged to work with one of the established Advice agencies to gain experience and local knowledge 	£0
CC155	Ocean Women's Association 164 Mile End Road, London E1 4LJ	The organisation requested funds for: - training and mentoring of MC members and other volunteers - preparing strategic plan - insurance costs	£10,000	£4,000	<ul style="list-style-type: none"> • Org has plans for a good training programme for hard-to-reach women form migrant communities • Some costs seem excessive and it must, if successful, provide a detailed breakdown • Organisation must also obtain the necessary insurance 	£4,000
CC156	St. Matthias Community Centre 113 Poplar High Street, London E14 OAE	The organisation requested funds for: - bookkeeper and auditor fees - printing costs for anniversary report - quality mark accreditation - computer and printer	£10,000	£2,000	<ul style="list-style-type: none"> • Some of the costs are for items outside of CC remit • Funding proposed for PQASSO 1 training, one computer and printer and contribution for Anniversary Report 	£2,000
CC157	SportsInk Concordia Community enterprise, Railway Arch, 420-421 Burdett Road, London E3 4AA	The organisation requested funds for: - office furniture - sports equipment - computer - printer/copier - quality mark accreditation - staff training	£9,755	£2,000	<ul style="list-style-type: none"> • There are some minor issues about the organisation including its Mem & Arts which needs clarification • Costs also appear to be inflated 	£2,000

CC158	Somali School Governors UK 295 Bethnal Green Road, London E2 6AH	The organisation requested funds for: - office furniture - computers - projector - printer - fees for staff training	£7,500	£0	<ul style="list-style-type: none"> • Some due diligence issues need clarification before any offer of grant can be made • Some items of expenditure are outside CC remit 	£0
CC159	Somali Action on Youth Crime 5 Assembly Passage, London E1 4UT	The organisation requested funds for: - various capacity building related training - publicity - venue hire - quality mark accreditation - refreshments - office overheads - laptop	£7,279	£0	<ul style="list-style-type: none"> • Some items of expenditure are outside CC remit. • There is also an issue about the proposed use of volunteers of persons under 16 years • A number of due diligence issues need clarification before any offer of grant can be made 	£0
CC160	Green Candle Dance Company Oxford House, Derbyshire Road, London E2 6HG	The organisation requested funds for: - digital camera - computers	£2,500	£1,500	<ul style="list-style-type: none"> • Digital camera • 2 refurbished windows 7 computers and refurbished Apple Macbook • Organisation to prioritise use of funds within awarded grant 	£1,500
			£80,605	£18,500		£18,500

APPENDIX 2 - Community Events Fund

Community Events - Round 3 September 2013					Rationale	CGPB Recommendation £
Ref	Organisation Details	Outline of Proposed Event	Grant Request £	Proposal £		
CE-81	African Women Welfare	A 1-day multi-disciplinary workshop including	£5,000	£1,500	<ul style="list-style-type: none"> • A reasonable initiative which merits some support 	£1,500

Community Events - Round 3 September 2013					Rationale	CGPB Recommendation £
Ref	Organisation Details	Outline of Proposed Event	Grant Request £	Proposal £		
	Association Ayoka Project 1 Locknagar Street, Poplar E14 OER	African drummers, dancers, speakers from the social work team to promote foster care and adoption			<ul style="list-style-type: none"> The following items are however out of scope for this fund: laptop/printer (£600) and typist (£200) and should not be funded. Some of the other event costings appear to be extremely high, particularly artist's fees 	
CE-82	A-Ishara 4 th Floor LMC 46-92 Whitechapel Road, E1 1JX	A sporting event for the deaf community in Tower Hamlets and neighbouring boroughs	£5,000	£3,500	<ul style="list-style-type: none"> The applicant clearly describes what the grant will be used for (deaf awareness) Clear explanation provided of how the proposed project represents good value for money Need clearly demonstrated with clear account of the benefits to participants 	£3,500
CE-83	Bishops way Community Centre 73 Bishops Way, E2 9HF	Running of a homework club	£4,110	£2,000	<ul style="list-style-type: none"> The proposal meets a number of key Council priorities However, the precise use of the proposed award will be the subject of negotiation to ensure the grant is used only for purposes which meet the criteria for this fund 	£2,000

Community Events - Round 3 September 2013						
Ref	Organisation Details	Outline of Proposed Event	Grant Request £	Proposal £	Rationale	CGPB Recommendation £
CE-84	Bow Bengali Forum PO Box 61140, E3 98N	Provision of a one-off community event at the Centre to 'foster better understanding about local issues, to create community harmony and empowering local people in dealing with local issues'	£4,750	£2,000	<ul style="list-style-type: none"> • It is proposed that this project is supported but with a reduced award • There appears to be some confusion in the application as to the costs of the project • Some of the costs appear inflated and not justified, e.g. £2,000 for artists and entertainment; and £600 for advertisement 	£2,000
CE-85	Bangla Mirror Unit 2, 60 Hanbury Street, E1 5JL	Contribution toward gala dinner and décor relating to the launch of the annual 'who's who 2012' – celebrating British Bangladeshi achievement	£5,000	£4,500	<ul style="list-style-type: none"> • It is proposed that the project is funded but with reduced award • The proposed project is clearly set out with well-articulated need and a clear account of benefits to participants. 	£4,500
CE-86	Citizen's Advice Bureau 32 Greatorex Street, London E1 5NP	Provision of a series of 10 information events on Welfare Reform	£5,000	£0	<ul style="list-style-type: none"> • This initiative appears to be an on-going provision of services as opposed to an event • The proposed activities do not therefore meet current key criterion or priorities for this fund 	£0
CC-87	East London Land Trust 3 Merchant street E3 4UJ	Provision of a community festival as part of the regeneration of a derelict building	£5,000	£0	<ul style="list-style-type: none"> • The group are planning to refurbish a derelict 1950s purpose built theatre and turn in to a theatre and cinema 	£0

Community Events - Round 3 September 2013					Rationale	CGPB Recommendation £
Ref	Organisation Details	Outline of Proposed Event	Grant Request £	Proposal £		
					<p>for the summer holidays</p> <ul style="list-style-type: none"> The proposed activities do not meet current key criterion or priorities for this fund 	
CE-88	<p>Morpeth Community Table Tennis Club Portman Place, Bethnal Green E2 OPX</p>	<p>Provision of a table tennis festival (for beginners under 12) a 2-day festival followed by 8 evening sessions of structured coaching</p>	£4,900	£1,000	<ul style="list-style-type: none"> The proposed initiative is clearly described and represents good VFM. This is an innovative proposal with many benefits to the target community Merits support as part of the Olympics 2012 legacy – in encouraging young people in sport 	£1,000
CE-89	<p>Shadwell Women's Forum St George's Town Hall 236 Cable St E1 OBL</p>	<p>Staging of Multi-Cultural Festival</p>	£4,350	£2,000	<ul style="list-style-type: none"> The proposed project merits some level of support, it is well explained and represents a good use of funds 	£2,000
CE-90	<p>Somali School Governors UK 295 Bethnal Green Road E2 6AH</p>	<p>Staging of a 'Somali Culture Day': highlighting Somali arts and culture, the way of life of the Somali people and the impact on local heritage in East London</p>	£4,500	£0	<ul style="list-style-type: none"> Some costs appear inflated, e.g. £2,000 on food, £1,000 on venue hire and £450 on Somali decoration This group is new to LBTH Companies House records show the organisation was incorporated on 28/06/2012, thus the group's track record is 	£0

Community Events - Round 3 September 2013						
Ref	Organisation Details	Outline of Proposed Event	Grant Request £	Proposal £	Rationale	CGPB Recommendation £
					<p>limited</p> <ul style="list-style-type: none"> • Further due diligence checks need to be carried out prior to any grant offer to this organisation 	
CE-91	Osmani Trust 58 Underwood Road, E1 5AW	Staging of the annual Summer Souk: Tower Hamlets Community Fair	£5,000	£3,000	<ul style="list-style-type: none"> • It is proposed that the project is supported, but with reduced funding as some of the costs appear inflated, e.g. costs of hiring of stalls at £3,000 • This is a well thought through application with a clear description of what the grant will be used for • The proposed project represents good value for money • The group also clearly set out the need for the project and are using a number of local businesses to sponsor the event 	£3,000
CE-92	The Parish of the Isle of Dogs Christ Church Vicarage, Manchester Road E14 3BN	Provision of a cultural exchange for residents of the Isle of Dogs and their visitors from central Berlin – this is an annual exchange programme and this year it is in London from 26-29 Sep	£1,305	£1,300	<ul style="list-style-type: none"> • This is a well explained project with many merits • The proposed project represents good value for many and has many benefits to participants • The group provided a clear outline of the project. With modest costings 	£1,300

Community Events - Round 3 September 2013					Rationale	CGPB Recommendation £
Ref	Organisation Details	Outline of Proposed Event	Grant Request £	Proposal £		
CE-93	Tower Hamlets Chinese School Raine Foundation School Old Bethnal Green Road E2 9 RG	Provision of a Chinese Mid-Autumn Festival: a programme of activities to increase social participation of Chinese residents within the borough	£1,282	£1,200	<ul style="list-style-type: none"> The proposed project is clearly described with clear account of its benefits to participants The group are requesting just over half of the full project costs, a total of £1,282, with the full project costs being total £2,500 	£1,200
CE-94	Tower Hamlets Student Welfare Association Unite, 106 Greatorex St E1 5NF	An annual study tour involving local and international students	£4,900	£0	<ul style="list-style-type: none"> It is proposed that this initiative: A Study Tour; is not supported This is a poor application which does not clearly set out the intended activities or the expected benefits to participants/the community The costs for the proposed project appear inflated and does not represent good value It is recommended that the group are referred to THCVS for capacity building support 	£0
CE-95	Vision for Globe Town Flat 1 Bevin House E2 ORW	A community event aimed 'bridging the intergenerational gap' – bringing young & old together to share their views	£4,025	£0	<ul style="list-style-type: none"> The application does not meet the criterion to be eligible for support from this fund The group should be referred to THCVS for 	£0

Community Events - Round 3 September 2013						
Ref	Organisation Details	Outline of Proposed Event	Grant Request £	Proposal £	Rationale	CGPB Recommendation £
					capacity building support	
CE-96	We are Parable 12 Twist House, 24-34 Oliver Road, E10 5JL	A 4-day sneaker [street shoes] festival to celebrate the rise of sneaker culture	£3,200	£1,500	<ul style="list-style-type: none"> • This is a highly innovative proposal with many merits • The group clearly described what the money will be used for • The need for the project, as well as the anticipated benefits to the participants are clearly set out 	£1,500
CE-97	West Ferry Tenants and Residents Association C/O 4 Cahir Street, E14 3DU	The organisation will stage 'community fun day' for residents of the local Estate	£2,000	£2,000	<ul style="list-style-type: none"> • The proposed project has many merits • There are clear benefits to residents of the estate • The project costs are reasonable and the group submitted clear breakdown of costs • The group clearly describe the need for the project and its intended benefits 	£2,000
CE-98	Bangla TV Unit-4, Marshgate Business Centre, 10-12 Marshgate Lane, E15 2NH	The organisation wishes to stage a Pitha (traditional Bangladesh food) Mela & concert	£5,000	£4,000	<ul style="list-style-type: none"> • The proposal meets a number of key Council priorities • However, the precise use of the proposed award will be the subject of negotiation to ensure the grant is used only for purposes which meet the criteria for this fund 	£4,000

Community Events - Round 3 September 2013					Rationale	CGPB Recommendation £
Ref	Organisation Details	Outline of Proposed Event	Grant Request £	Proposal £		
CE-99	Golden Moon Youth Project St George's Town Hall, 236 Cable St E1 OBL	The organisation wishes to stage a multi-cultural festival	£4,800	£2,000	<ul style="list-style-type: none"> • The proposal meets a number of key Council priorities • However, the precise use of the proposed award will be the subject of negotiation to ensure the grant is used only for purposes which meet the criteria for this fund 	£2,000
CE-100	Bangladesh Youth Movement Advice Shop 21-23 Henriques St E1 1NB	The organisation wishes to stage a multi-cultural festival	£4,750	£2,000	<ul style="list-style-type: none"> • The proposal meets a number of key Council priorities • However, the precise use of the proposed award will be the subject of negotiation to ensure the grant is used only for purposes which meet the criteria for this fund 	£2,000
			£83,872	£34,500		£34,500

Full details of the decision sought, including setting out the reasons for the recommendations and/or all the options put forward; other options considered; background information; the comments of the Chief Finance Officer; the concurrent report of the Assistant Chief Executive (Legal Services); implications for One Tower Hamlets; Risk Assessment; Background Documents; and other relevant matters are set out in the attached report.

Agenda Item 8.1

Committee: Overview and Scrutiny Committee	Date: 5 November 2013	Classification: Unrestricted	Report No:	Agenda Item:
Report of: Service Head, Democratic Services Originating officer(s) Matthew Mannion, Committee Services Manager		Title: Reference from Council – Watts Grove Depot Project Wards Affected: All Wards		

1. **SUMMARY**

- 1.1 At its meeting on 18 September 2013, Council passed a Motion expressing concern at the Mayor's decision on 29 July 2013 to scrap the Watts Grove Depot redevelopment project and also questioning the suitability of the financial mechanisms used to fund Dame Colet House and Poplar Baths.
- 1.2 Council referred the issues to the Overview and Scrutiny Committee and asked it to investigate in detail and to report back to Council on 27 November 2013.
- 1.3 The request was considered at the Overview and Scrutiny Committee meeting on 1 October and it was agreed that a full report on the issue would be prepared for consideration at the meeting to be held on 5 November 2013 and that report is therefore attached as an Appendix to this reference report.

2. **RECOMMENDATIONS**

The Overview and Scrutiny Committee is recommended to:-

- 2.1 Review the attached report on the issue and prepare a response for submission back to Council on 27 November 2013.

3. BACKGROUND

- 3.1 The Overview and Scrutiny Procedure Rules as set out in Part 4 of the Constitution entitles the Committee to consider work requests submitted by Council. Should the Overview and Scrutiny Committee decide to accept the request then it can submit a report containing their recommendations back to Council for them to consider at their next meeting. The relevant paragraph of the Overview and Scrutiny Procedure Rules is set out below for information.

9.2 The Overview and Scrutiny Committee shall also respond, as soon as its work programme permits, to requests from the Council and if it considers it appropriate the Mayor or Executive to review particular areas of Council activity. Where they do so, the Overview and Scrutiny Committee shall report their findings and any recommendations back to the Mayor/Executive and/or Council. The Executive shall consider the matter at one of its next two meetings following receipt of the report. If the matter is relevant to the Council only then will they consider the report at their next meeting.

4. BODY OF REPORT

- 4.1 At its meeting on 18 September 2013, Council passed the following motion in respect of the Watts Grove Depot redevelopment:

12.3 Motion regarding the Mayor's Decision to Scrap the Watts Grove Depot redevelopment

Councillor Carlo Gibbs **moved**, and Councillor Khales Uddin Ahmed **seconded**, the motion as printed on the agenda.

Following debate, the motion was put to the vote and was **agreed**.

DECISION

This Council notes:

- The Mayor's decision on the 29th July to scrap the Council's redevelopment of the Watts Grove Depot site.
- That this decision was taken in secret behind closed doors and without any opportunity for scrutiny from residents of councillors as would have been the case were it made at Cabinet two days later.
- Scrapping the development of Watts Grove will mean the 149 planned social homes will now not be built.
- In the report the Chief Finance Officer wrote that "*It is estimated that as a result of the project the net deficit in the HRA will increase by between £200k and £900k from 2015/16 onwards*" making the development unaffordable.
- The motion proposed by Cllrs Gibbs and Peck at this year's Budget which stated:

- *That between the Chancellor's Emergency Budget in 2010 and 2017/18, the Council's General Fund budget will have been cut by 50%;*
 - *The Council's Medium Term Financial Plan is showing a black hole of £39m in 2015/16, £24m of which is unfunded, and a deficit of at least £55m is anticipated in 2016/17;*
 - *In facing these cuts the residents of this borough deserve openness and honesty about how those elected to represent them will deal with this issue;*
 - *The Mayor has lost control of the Council's finances and has no proposals - such as an invest to save strategy, star chamber programme or review of service - to deal with this black hole;*
- There are over 20,000 people on the housing waiting list
 - The Mayor wrote in his decision that he would *"reconsider the decision to declare the Watts Grove Depot surplus to requirements" meaning the site would not be available for development.*
 - The Mayor wrote in the ELA on the 14th August that *"scheme has not been scrapped and it will be going ahead"*

This Council believes:

- That the Mayor was warned about the impact of his mismanagement of Council finances and did nothing.
- The cancellation of Watts Grove could have been avoided had the Mayor listened to Labour councillors and got a grip on the Council's finances.
- 20,000 residents on the housing waiting list have been thoroughly let down by the Mayor who has failed to deliver the much needed council housing he promised, and that it is residents who are paying the price for the Mayor's financial incompetence.
- The Chief Finance Officer's report raises serious concerns about the mechanism used by the Mayor to fund the redevelopments of Dame Colet House and Poplar Baths.
- By taking the decision in secret, behind closed doors, the Mayor further demonstrated his contempt for any kind of scrutiny of his actions and that this is a further insult to residents who are concerned about the housing shortages in the borough and whom he is supposed to represent.
- The Mayor's contradictory and inaccurate statements to the media are misleading and unacceptable.

This Council resolves:

- To instruct the Overview and Scrutiny Committee to investigate the reasons for the collapse of the Watts Grove Depot project, and the sustainability and suitability of the financial mechanisms used to fund Dame Colet House and

Poplar Baths and to report back to Council in November on its findings.

- To call upon the Mayor to come clean about the state of the Council's finances and to put in place a plan to balance the Council's books.
- To require the Section 151 officer to report to councillors within the week how much money including an estimate of officer time has been spent to date on the Watts Grove Project.

4.2 The Overview and Scrutiny Committee at its meeting on 1 October accepted this request and the attached report provides details about the issue to be examined.

5. COMMENTS OF THE CHIEF FINANCIAL OFFICER

5.1 All relevant financial matters are set out in the attached appendix report.

6. LEGAL COMMENTS

6.1 All relevant legal matters are set out in the attached appendix report.

7. ONE TOWER HAMLETS CONSIDERATIONS

7.1 Any relevant matters are set out in the attached report.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

8.1 Any relevant matters are set out in the attached report.

9. RISK MANAGEMENT IMPLICATIONS

9.1 Any relevant matters are set out in the attached report.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

10.1 Any relevant matters are set out in the attached report.

11. EFFICIENCY STATEMENT

11.1 Any relevant matters are set out in the attached report.

**Local Government Act, 1972 Section 100D (As amended)
List of "Background Papers" used in the preparation of this report**

Brief description of “background papers”

Name and telephone number of holder and address where open to inspection.

To be completed by author

To be completed by author ext. xxx

None

Matthew Mannion Ext 4651

12. APPENDICES

Appendix 1 – Finance response

Appendix 2 – Project review

Appendix 3 – Executive mayor decision

Appendix 4 – July 2012 Cabinet reports

Appendix 5 – July 2012 Cabinet decisions

Appendix 6 – January 2013 Cabinet reports

Appendix 7 – January 2013 Cabinet decisions

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Committee/Meeting: Overview and Scrutiny	Date: 5 th November 2013	Classification: Unrestricted	Report No:
Report of: Corporate Director's - Development and Renewal and; Resources Originating officer(s) Ann Sutcliffe Service Head Corporate Property and Capital Delivery		Title: Watts Grove Depot project and financial mechanisms for Poplar Baths Dame Colet. Wards Affected: Bromley By Bow; Blackwall & Cubitt Town; Limehouse; East India & Lansbury; St Dunstan's & Stepney Green	

Lead Member	Cllr Rabina Khan (Lead Member – Housing and Development) Cllr Choudhury (Lead Member – Resources)
Community Plan Theme	One Tower Hamlets
Strategic Priority	1.4 Provide effective local services and facilities

1. SUMMARY

- 1.1. The following report is in response to Overview and Scrutiny's request for the following:
- 1.2. Require the Section 151 officer to report to councillors within the week how much money including an estimate of officer time has been spent to date on the Watts Grove Project.

2. WATTS GROVE SPEND

- 2.1. The following table sets out spend to date on the Watts Grove project.

Resource	Description	Cost
Legal	External legal advice	£ 47,654
Procurement	External Procurement and Architectural Advisers	£ 88,251
Management	Project Management Technical Adviser	£ 76,199
Finance	Finance Technical Adviser	£ 20,000
Site investigations	Surveys and works	£ 31,950
Officers	Finance, Legal and Directorate officer time	£ 43,942
		£ 307,996

- 2.2. These costs have been obtained through a full analysis of the project, which has been undertaken alongside the Councils response to FOI 9063 response.
- 2.3. The project had an assigned project manager. The project manager was the named individual responsible for the day-to-day detailed management of the project and provided an interface between the Project Board and the supply side of the project team.
- 2.4. The project had an assign project director. The project director was the named individual responsible for oversight of the procurement process. This included instructing the advisory team and ensuring the project management team were achieving the required outcome and objectives of the project.
- 2.5. Deloitte, an external consultancy firm, were appointed as lead advisers. They provided additional technical support where required, and advised and assisted on the procurement process. This advice supplemented the existing knowledge within the authority and also provided an expanded resource to enable the effective development and implementation of this project. The appointment was undertaken through the Buying Solutions Framework. As the lead advisers Deloitte provided technical support in the following areas
 - Procurement
 - Planning
 - Evaluation
 - Commercial
 - Design
- 2.6. Bevan Brittan, an external legal firm, were appointed through LBTH Legal as external legal advisors. This appointment was made through an external tender process. All communication was made through LBTH legal services, with property questions being dealt with in house. Where required Counsel advise was sort by legal services to support the structure of the procurement.
- 2.7. In-kind officer costs were incurred through implementation of the project structure. This included development and renewal service heads, corporate directors and the legal services assistant chief executive. In addition to this a number of council officers were engaged as part of the scoping, reviewing and validation process for the project at each of the procurement milestones.

3. SPEND ANALYSIS

- 3.1. The information obtained in relation to the site and its capacity for a future development scheme has been filed onto the Council asset management systems. The design and site condition information will provide the foundation for any further development proposals.
- 3.2. The information would not be limited to housing developments this would inform any depot consolidation plans or other regeneration potentials identified for the site in the future.

Committee/Meeting: Overview and Scrutiny	Date: 5 th November 2013	Classification: Unrestricted	Report No:
Report of: Corporate Director's - Development and Renewal and; Resources Originating officer(s) Ann Sutcliffe Service Head Corporate Property and Capital Delivery		Title: Watts Grove Depot project and financial mechanisms for Poplar Baths Dame Colet. Wards Affected: Bromley By Bow; Blackwall & Cubitt Town; Limehouse; East India & Lansbury; St Dunstan's & Stepney Green	

Lead Member	Cllr Rabina Khan (Lead Member – Housing and Development) Cllr Choudhury (Lead Member – Resources)
Community Plan Theme	One Tower Hamlets
Strategic Priority	1.4 Provide effective local services and facilities

1. **SUMMARY**

1.1 On the 18th September 2013 full council resolved to:

1.1.1 Instruct the Overview and Scrutiny Committee to investigate the reasons for the collapse of the Watts Grove Depot project, and the sustainability and suitability of the financial mechanisms used to fund Dame Colet House and Poplar Baths and to report back to Council in November on its findings.

1.1.2 Call upon the Mayor to come clean about the state of the Council's finances and to put in place a plan to balance the Council's books.

1.1.3 Require the Section 151 officer to report to councillors within the week how much money including an estimate of officer time has been spent to date on the Watts Grove Project.

1.2 This report provides committee members with a review of the Watts Grove and Poplar Baths Dame Colet projects in relation to item 1.1.1 above, a separate report will be generated in response to 1.1.3.

2 WATTS GROVE PROJECT REVIEW

- 2.1 The main principle being sort by officers for the Watts Grove project was to deliver the Mayoral priority around the realisation of additional affordable housing within the Borough.
- 2.2 The procurement was structured to allow open dialogue with private sector partners, allowing the project to deliver a design proposal which met the Council's housing needs, whilst aiming to be a cost effective delivery mechanism for additional new homes.
- 2.3 The release of the Watt's Grove site was based upon the principle of restructuring and investing in the reconfiguration of council depots. This rationalisation was targeting the release of valuable sites and will result in future schemes being financed on an invest to save basis arising from a reduction in depot running costs.
- 2.4 LBTH issued an OJEU Contract Notice (2012/S 44-071852) on 3rd March 2012 via the London Tenders Portal. The expressions of interest stage closed on 3rd April 2012. The Council proceeded to the next stage of the procurement process and issued a Pre-Qualification Questionnaire (PQQ) in relation to the Official Journal of the European Union (OJEU) Contract "DR 4186 – Watts Grove – Affordable Housing Development". A total of 16 compliant PQQ submissions were received by the deadline of 4th May 2012. The professional team recommended allowing 11 parties to proceed to the Outline Solutions stage of the Competitive Dialogue Development Partner Procurement Process which began 22nd June 2012.
- 2.5 On Conclusion of the Outline Solutions stage 6 complaint tenders were received from Bidders. A detailed evaluation of the base and variant bids was undertaken by Council officers. After careful consideration it was concluded that, in the light of the submissions, it would be preferable to invite all the parties to resubmit their outline solutions on the understanding that the Council wished to consider the base bid; a Lease – Lease Back model only. However, the lease length being offered would be extended from 25 to 35 years to enhance project viability.
- 2.6 The structure of lease – lease back was one which had been adopted by the Council for Poplar Baths Dame Colet. The lease length of 35 years for this project was aligned to that now provided for Watts Grove.
- 2.7 The alignment of the lease – lease back scheme would also allow the use of standardised Council requirements, specifications and legal documentation between the two projects.
- 2.8 On the 28th September 2012 the original parties were invited to participate in this additional Outline Solution stage to deliver 149 affordable housing units. The units were proposed to be managed by Tower Hamlets Homes (THH) who will be responsible for internal repairs.


- 2.9 Six consortia confirmed they would like to rebid, with invitations to resubmit being issued for Outline Solutions on the 26 October 2012. Five outline solutions were received following the withdrawal of one bidder during this process.
- 2.10 A detailed evaluation of the Outline Solutions was undertaken by Council officers. Four compliant bidders were recommended to be taken forward into the final stage of competitive dialogue. The Council issued bidders with the ITPCD – Detailed Solutions on the 14th December 2012.
- 2.11 In line with procurement processes the consortia participated in the Competitive Dialogue procurement process by attending technical, financial and legal meetings. The Design & Technical meetings comprised bidders presenting their designs as they evolved with the client and professional team providing feedback on these designs. Legal and financial dialogue involved discussion around the Council's proposed structure and legal agreement to ensure bidders were able to bring forward a sound financial bid.
- 2.12 During dialogue one bidder withdrew. The three remaining bidders were issued with invitations to submit final tenders on the 8th March 2013, with three compliant tenders received on the 22nd March 2013.
- 2.13 The final tenders comprised design submissions for the proposed schemes as well as financial offers and derogations against the proposed legal documents.
- 2.14 Following receipt of submissions, the professional team reviewed the tenders and provided the evaluation panel with an indication of the recommended score (fail, low, acceptable, good and exemplar) for each section (commercial proposition, planning strategy, quality, mix of uses, local issues and management) of the technical evaluation. The evaluation panel then scored the submissions, this scoring has been utilised to produce a final technical score for each bid.
- 2.15 In accordance with the evaluation criteria set out in the invitation to submit final tenders the financial element for the scheme being worth 60% of the overall marks with the technical element for the scheme was worth 40% of the overall marks. The financial and technical scores were then added together to give an overall score. This resulted in a preferred bidder being recommended.
- 2.16 The evaluation panel comprised both senior council officers and external technical and legal advisors. This evaluation process was then endorsed by the Project Board.
- 2.17 Officers produced an individual mayoral decision notice proforma (decision log no. 31). This gave an update on the procurement process; it also set out the cost impacts for the project and gave a recommendation for appointment of a preferred bidder.

- 2.18 The Executive Mayor rejected council officer's recommendations on the 17th July 2013 for reasons attached in his decision as attached as Appendix 3. As a result of this the Council has informed the three consortiums that the project is not going to proceed.

3 POPLAR BATHS DAME COLET

- 3.1 The procurement of this project has progressed in advance of the Watts Grove project. The structure of the procurement is different in that it incorporates three defined objectives; Design build and operation of renewed Poplar Baths Leisure facilities; New build youth centre and; 100 new build social rented housing units.
- 3.2 The provision of the housing units was structured as a lease – lease back project. This is aligned with the Watts Grove model whereby the Council would take an internal repairing lease of the units to allow Tower Hamlets Homes to manage on a 100% socially rented basis.
- 3.3 The provision of the leisure aspect of this contract is different in that the Council has structured it to be designed, built and operationally managed by the developer. This structure allows for the council to set and monitor its key objectives for delivery by the private sector.
- 3.4 The new youth centre at Haileybury will be provided to the council under a lease – lease back structure. This lease will be based on a shell and core basis with the council's youth service providers fitting out the loose furniture and equipment to align with their service delivery requirements.
- 3.5 On the 6th July 2011 Cabinet resolved that officers should develop a proposal for Poplar Baths and Dame Colet House for procurement and implementation.
- 3.6 On the 4th July 2012 officers reported back to Cabinet detailing the procurement process which had been initiated. It was resolved that officer's should proceed with their recommended shortlist of two bidders through final dialogue and to invite submission of final tenders.
- 3.7 Final tenders were received by the Council allowing officer's to report their recommendation for a preferred bidder to Cabinet on the 9th January 2013. This cabinet resolved to adopt a capital estimate for the project, allow officers to appoint their preferred bidder and to further allow officer to enter into final contracts for project delivery following consultation with the Executive Mayor and the Lead Member for Resources.
- 3.8 On the 9th October 2013 Tower Hamlet's development committee resolved to approve the planning applications as recommended by planning officers. As a result of this approval Council officers are working with its appointed developer to reach a satisfactory financial close position which will allow works to start on site.

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Individual Mayoral Decision Proforma Decision Log No: 31	 TOWER HAMLETS
Report of: Corporate Director Development & Renewal	Classification: Unrestricted/restricted
Watts Grove Depot – tender process update and selection of preferred bidder	

Is this a Key Decision?	Yes
Decision Notice Publication Date:	25 January 2013
General Exception or Urgency Notice published?	Not required
Restrictions:	Unrestricted/restricted

1. EXECUTIVE SUMMARY

- 1.1 This report deals with the selection of the preferred bidder for the Watts Grove Project and the delegated authority to conclude Contract negotiations and enter into contract with the preferred bidder.
- 1.2 This report provides the Executive Mayor with an update on the procurement process for the regeneration of Watt's Grove Depot from its current use as a transport depot to create new socially rented housing.

2. DECISION

The Executive Mayor is recommended to:-


- 2.1 Agree to the recommendation of the procurement evaluation panel to approve Bidder A as the preferred bidder;
- 2.2 Authorise officers to proceed with the final stage of procurement in finalising agreements with a preferred bidder;
- 2.3 Confirm the second placed unsuccessful bidder Bidder C as a reserve and to authorise the Director of Development and Renewal, following discussion with the Executive Mayor to call upon this reserve if the preferred bidder's position changes from that tendered.
- 2.4 Following consultation with the Executive Mayor and the Lead Member for Resources, authorise the Director of Development and Renewal and the Assistant Chief Executive

- 2.5 Adopt a capital estimate to the value of £23million for the development of the Watts Grove Depot site, noting that provision of £22 million to fund the indicative scheme was included within the capital programme considered at the Council Budget meeting on 7 March 2013. The increased capital provision is required in order to make provision for the eventuality of the reserve bidder being required;
- 2.6 Confirm that funding requirements as outlined in the Part 2 report will be available to meet the potential revenue contract costs subject completion of the contract;
- 2.7 Confirm the allocated expenditure for procurement costs of £425k on the basis that these costs will be reimbursed by the successful developer upon the Development Agreement becoming unconditional and Financial Close being reached, if necessary this will need to be paid for by reserves if the development does not proceed;
- 2.8 Authorise officers to proceed with concurrent development of three options, as outlined in the Part 2 report to facilitate vacant possession being granted prior to works beginning in accordance with the programme.
- 2.9 Adopt a capital estimate capped at £1m for decant works as set out in the part 2 report for the relocation of Watts Grove Depot, to be funded from resources set aside for the development of affordable housing schemes.
- 2.10 Authorise the disposal on a 35 year lease of the land at Watts Grove Depot in line with the tender to the Preferred Bidder under the General Disposal Consent 2003 to facilitate the development and improve the economic social and environmental well being of the area in accordance with the Objective 1 "Providing quality affordable housing " of the first theme of the Council's Community Plan "A Great Place to Live"
- 2.11 Agree that the Council will sublease the 149 units of accommodation and associated land on a 35 year (less 1 day) lease under section 17 Housing Act 1985 for Housing Purposes as the use of the land will then be for social housing and will be held under the Housing Revenue Account. The effect of this is detailed in paragraph 7.23 of the attached report which sets out details of the Tender and contract structure
- 2.12 Agree to authorise expenditure of £50,000 to undertake the works outlined at paragraphs 6.14 to 6.17 of the Part 2 report to be funded from reserves

APPROVALS

1. Corporate Director proposing the decision or his/her deputy

I approve the attached report and proposed decision above for submission to the Mayor.


Signed  Date 17/6/2013

2. Corporate Director proposing the decision or his/her deputy

I approve the attached report and proposed decision above for submission to the Mayor.

3. Chief Finance Officer or his/her deputy

I have been consulted on the content of the attached report which includes my comments.

Signed  Date 17/7/13

4. Monitoring Officer or his/her deputy

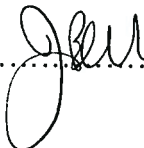
I have been consulted on the content of the attached report which includes my comments.

(For Key Decision only)

I confirm that this decision:-

(a) has been published in advance on the Council's Forward Plan OR

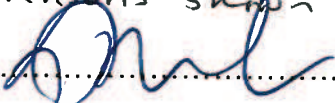
(b) is urgent and subject to the 'General Exception' or 'Special Urgency' provision at paragraph 18 or 19 respectively of the Access to Information Procedure Rules.

Signed  Date 17/7/13

5. Mayor

~~I agree the decisions proposed in paragraph 2 above for the reasons set out in the attached Part 1 report.~~

For reasons shown overleaf, I reject the recommendation

Signed  Date 17/7/13

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Watts Grove – Mayoral Decision

Having considered the detailed Report on the outcome of the evaluation of final tenders for Watts Grove and the implications for the Council, I have decided not to proceed with the award of a contract for the Watts Grove Depot.

This has not been an easy decision to reach as I had hoped to create further social housing units in the borough by this contract, but I have to carefully weigh up the Council's financial position over the next few years in the light of the most severe spending cuts we have ever endured.

Earlier in the competitive tender process, an assessment of the projected costs as detailed by the bidders was carried out and the scheme was, at that stage, deemed affordable. Unfortunately the final tender submissions greatly exceed those projected costs with serious financial consequences to the Council's HRA and overall debt cap.

I have considered fully the outcome of the final tender evaluation and the financial implications for the Council and taken into account the comments of the Chief Finance Officer in the report at paragraphs 7.6, 7.7 and 7.8. These show that the cost impacts on the Housing Revenue Account debt cap are greater than had been originally anticipated. These make the scheme no longer affordable within the HRA without cutting costs in the 30 year business plan and therefore in front line services

In addition, I am now advised that the detailed consideration of the 2 potential sites for a consolidated depot, whereby the Watts Grove Depot together with other depots could be re-provided, is no longer affordable given current proposed savings required in public spending within the general account. I am therefore going to reconsider the decision to declare the Watts Grove Depot surplus to requirements.



17/7/13

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Report of: Corporate Director Development and Renewal Originating officer(s) Ann Sutcliffe Service Head Corporate Property and Capital Delivery	Title: Watts Grove Depot – tender process update and selection of preferred bidder Wards Affected: Bromley By Bow
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Lead Member	Cllr Rabina Khan (Lead Member – Housing and Development) Cllr Choudhury (Lead Member – Resources)
Community Plan Theme	One Tower Hamlets
Strategic Priority	1.4 Provide effective local services and facilities

1. **SUMMARY**

- 1.1 This report deals with the selection of the preferred bidder for the Watts Grove Project and the delegated authority to conclude Contract negotiations and enter into contract with the preferred bidder.
- 1.2 This report provides the Executive Mayor with an update on the procurement process for the regeneration of Watt’s Grove Depot from its current use as a transport depot to create new socially rented housing.

2. **DECISIONS REQUIRED**

- 2.1 **The Executive Mayor is recommended to agree the Recommendations in the cover report**

3. **REASONS FOR THE DECISIONS**

- 3.1 London Borough of Tower Hamlets strategy for the restructuring of the Councils depots has identified Watt’s Grove Depot as surplus to requirements. This surplus will be utilised to deliver the Mayoral priority for the realisation of additional affordable housing units within the borough.
- 3.2 To facilitate this, the Executive Mayor has previously agreed to decant the existing services being delivered on the Depot by Veolia. An options appraisal into alternative sites is being finalised as part of the council’s current depot strategy review. This review will report back to Cabinet in July.
- 3.3 An EU compliant competitive dialogue procurement process has been run by Development and Renewal officers. Under corporate directors actions

approval the procurement process has been facilitated through utilisation of planning delivery reserves.

- 3.4 This report provides feedback on the invitation to submit final tender submission, and the recommendation to proceed to conclusion of the tendering process and appoint a preferred bidder as set out in the original OJEU notice.

4. ALTERNATIVE OPTIONS

- 4.1 There are no alternate options for the delivery of this housing scheme as it is site specific, the Council will retain the operation and management of the housing site and it will be operated under the arrangements with Tower Hamlet Homes, as such the procurement was based on this and the other main objective, the provision of much needed affordable rented homes. The only alternative is to do no building on this site.

5. BACKGROUND

- 5.1 Officers have been working to deliver the Mayoral priority around the realisation of additional affordable housing within the Borough. This development is within the first phase of the wider programme. Watts Grove has moved to the final bid stage of the procurement and through working with private sector partners, the project aims to deliver the provision of additional new affordable homes at Affordable POD Rents as there is no grant funding.
- 5.2 The release of the Watt's Grove site is achieved through restructuring and investment in reconfiguring the depots. This rationalisation will free up valuable sites and will result in future schemes being financed on an invest to save basis arising from a reduction in depot running costs
- 5.3 The HRA capital programme approved by full council on the 7th March 2013 included a capital provision of £22m for the Watts Grove project. The Capital estimate will need to be increased to £23 million for this project.

6. Main Body of the Report

Process to date

- 6.1 LBTH issued an OJEU Contract Notice (2012/S 44-071852) on 3rd March 2012 via the London Tenders Portal. The expressions of interest stage closed on 3rd April 2012. The Council proceeded to the next stage of the procurement process and issued a Pre-Qualification Questionnaire (PQQ) in relation to the Official Journal of the European Union (OJEU) Contract "DR 4186 – Watts Grove – Affordable Housing Development". A total of 16 compliant PQQ submissions were received by the deadline of 4th May 2012. The professional team recommended allowing 11 parties to proceed to the

Outline Solutions stage of the Competitive Dialogue Development Partner Procurement Process which began 22nd June 2012.

- 6.2 On Conclusion of the Outline Solutions stage 6 complaint tenders were received from Bidders. A detailed evaluation of the base and variant bids was undertaken by Council Officers and independent advisers. After careful consideration it was concluded that, in the light of the submissions, it would be preferable to invite all the parties to resubmit their outline solutions on the understanding that the council wished to consider the base bid; a Lease – Lease Back model only, however the lease length being offered would be extended from 25 to 35 years to enhance project viability which was in line with the OJEU advert and tender documents.
- 6.3 On the 28th September 2012 the original parties were invited to participate in a further Outline Solution stage based on the lease and leaseback structure to deliver 149 affordable housing units. The units will be managed by Tower Hamlets Homes (THH) who will be responsible for internal repairs.
- 6.4 Six consortia confirmed they would like to rebid, with invitations to resubmit being issued for Outline Solutions on the 26 October 2012. Five outline solutions were received following the withdrawal of one bidder during this process.
- 6.5 A detailed evaluation of the Outline Solutions was undertaken by Council officers and independent advisers. Four compliant bidders were recommended to be taken forwarded into the final stage of competitive dialogue. The Council issued bidders with the ITPCD – Detailed Solutions on the 14th December 2012.
- 6.6 In line with procurement processes the consortia participated in the Competitive Dialogue procurement process by attending technical, financial and legal meetings. The Design & Technical meetings comprised bidders presenting their designs as they evolved with the client and professional team providing feedback on these designs. Legal and financial dialogue involved discussion around the Council's proposed structure and legal agreement to ensure bidders were able to bring forward a sound financial bid.
- 6.7 During dialogue one bidder withdrew. The three remaining bidders were issued with invitations to submit final tenders on the 8th March 2013, with three compliant tenders received on the 22nd March 2013.
- 6.8 The final tenders comprised design submissions for the proposed schemes as well as financial offers and derogations against the proposed legal documents.
- 6.9 Following receipt of submissions, the professional team reviewed the tenders and provided the evaluation panel with an indication of the recommended score (fail, low, acceptable, good and exemplar) for each section (commercial proposition, planning strategy, quality, mix of uses, local

issues and management) of the technical evaluation. The evaluation panel then scored the submissions, this scoring has been utilised to produce a final technical score for each bid.

Scoring

- 6.10 In accordance with the evaluation criteria set out in the invitation to submit final tenders the financial element for each scheme and each site being worth 60% of the overall marks with the technical element for each scheme and each site was worth 40% of the overall marks. The financial and technical scores were then added together to give an overall score. This has resulted in the recommended preferred bidder as set out in part 2 of this report.
- 6.11 The scoring results are set out in part 2 of this report.

Evaluation

- 6.12 The evaluation panel comprised both senior council officers and external technical and legal advisors.
- 6.13 Following this evaluation process, which was endorsed by the Project Board, it is recommended to proceed with the Bidder A – the highest scoring bidder as identified in the part 2 report.

Programme

- 6.14 Upon receipt of Cabinet approval officers will proceed with finalising contract documents to allow the Council to enter into a Development Agreement with the preferred bidder. Following this detailed design and planning applications will be made. The table below outlines the proposed programme for these works; this has been approved by the selected bidder and will be monitored by the procurement team.

Activity	Date
Selection of successful bidder	June 2013
Alcatel period	10 clear days after selection notified to bidders
Final clarifications	End July
Contract close	August
Preparation and submission of planning permission	October
Planning Committee	January 2014

JR period	April 2014
Financial Close	end April 2014

Council procurement costs

- 6.15 To allow the procurement of Watt's Grove to commence a provision of £180k has been agreed under the Corporate Directors approval. Officers have forecasted the cost of procurement up to the signing of a Development Agreement to be £325k.
- 6.16 A further £100k is required to facilitate the relocation of a mobile phone mast on the site. The total costs of £425k will be reimbursed by the successful Tenderer as part of the scheme at Financial Close, as they are incorporated into the financial repayment model. If Financial close is not achieved these costs will have to be met by the Council from reserves. A detailed explanation of the financial implications of the scheme is set out in the comments of the Chief Financial Officer.

Depot Enabling Works Options

- 6.17 In January 2012 asset management board agreed that as part of the Council's depot review the Watts Grove site had been identified as a surplus asset.
- 6.18 In February 2013 officers presented to cabinet report CAB81/123 - Asset Efficiency Review (Depots and Town Hall). The report asked Cabinet to note the initial appraisal and agree to progress a detailed viability assessment on whether the Council should consolidate its Depot portfolio to release valuable land for re-use for Housing and other purposes.
- 6.19 Cabinet authorised officers to enter into preliminary negotiations and bring forward plans for the disposal of a number of sites.
- 6.20 To facilitate this and align with the council obligation to provide vacant possession of Watts Grove to the preferred bidder officers will be required to progress the concurrent design of three options as identified in the part 2 report. The completed options appraisal will identify the recommended decant location for the existing services and will align this with the overall depot strategy review.

7. COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 7.1 This report updates Cabinet on the progress of the Watts Grove redevelopment project and asks the Mayor in Cabinet to consider the recommendations of the procurement evaluation panel and approve a developer consortium to deliver the scheme.

- 7.2 To protect the Council's financial and commercial interests key aspects of the Chief Financial Officer's comments are set out in a separate report on Part II of the agenda.
- 7.3 The base scheme on which bidders have now submitted their final bids, has assumed key standard specifications, including the number of housing units to be provided, and that the whole development operate via a finance lease back of 35 years to the Council. A detailed financial appraisal has now been undertaken of each of the bids, together with a comprehensive financial review of each of the companies which make up the Special Purpose Vehicle (SPV). The SPV will develop the properties and lease them back to the authority over a 35 year period. The SPV is responsible for the external maintenance of Watts Grove but the new dwellings will be managed and internally maintained by Tower Hamlets Homes (THH). Under the Development Agreement, the annual lease payment becomes payable once the development period has ended.
- 7.4 The project will be financed through a finance lease. A finance lease is defined as an agreement where risks and rewards of ownership are substantially transferred to the lessee. The lease term is for the major part of the economic life of the asset and ownership of the asset transfers to the lessee at the end of the lease period. It is therefore clear, that as ownership of the asset transfers to the lessee at the end of the lease period, these leases can only be classified as a finance leases.
- 7.5 In accordance with accounting standard IAS 17 and the Prudential Code for Capital Finance in Local Authorities if the lease is classified as finance lease the assets and the liabilities have to be recognised in the Authority's balance sheet. The recognition of property plant & equipment will be matched by long term liabilities defined as credit arrangements. These credit arrangements will count in the calculation of the capital financing requirement. In March 2013 full Council approved indicative capital resources of £22 million as part of the HRA capital programme to facilitate this project. This report requests that a formal capital estimate of £23 million is now adopted to account for final tenders received.
- 7.6 The affordable rents receivable on the housing development, over the period of the HRA business plan, will not be sufficient to repay the capital financing, management and maintenance costs. It is estimated that as a result of the project the net deficit in the HRA will increase by between £200k and £900k from 2015/16 onwards,
- 7.7 Furthermore because this is a finance lease and deemed to be notional borrowing the housing developments will count against the Council's authorised debt cap under the HRA self-financing regulations. The HRA borrowing headroom will reduce by £22m - £25m in 2015/16, depending upon which bid is approved. This will mean that the Council will reach its debt cap earlier than currently predicted in the 30 year business plan. To compensate for the loss of capital resources additional resources of between £600k and £800k per annum will need to be identified to supplement HRA

reserves to deliver the long term capital investment needs of the existing housing stock.

- 7.8 In total, therefore, full year revenue savings of between £0.8m and £1.7m per annum are required from 2015/16 to deliver a balanced HRA business plan. This compares to an original estimate of £0.45m. Savings have been factored into the HRA Medium Term Financial Plan to offset these costs but these will be difficult to achieve. These savings will be factored into the medium term financial plan but being in addition to the savings already required for the Poplar Baths and Dame Colet House development agreement could seriously impact on the level of services provided in the HRA.
- 7.9 The scheme could generate additional New Homes Bonus of £0.225m per annum over the six year period following its completion. Assuming no change to Government policy with regards to its allocations this could be applied to partially offset the net cost of the scheme.
- 7.10 As outlined in the Risk Management Implications (paragraph 11.2), tenants will potentially maintain the right to buy the new rented properties. The Authority will be able to fully utilise any capital receipt but will receive reduced rental income while still being liable to make the full lease payment to the Special Purpose Vehicle over the period of the lease.
- 7.11 The Watts Grove site is currently being used as a depot and as such is accounted for in the General Fund. The change of use will mean that the land will have to be appropriated to the HRA. The financial implications of this appropriation are set out in the Part 2 report.
- 7.12 The report identifies that the costs of procurement and the cost of removing the telephone mast will be reimbursed by the successful bidder at the financial close. There is a risk that if financial close is not achieved these costs will have to be met from reserves.
- 7.13 The cost of the lease and lease-back method of financing the project will not be finalised until financial close is achieved. Any delays in vacating the site or obtaining planning permission could significantly increase the overall costs of the project. Unlike long term borrowing rates which are at a record low, interest rates in lease back schemes are much higher because of the risks associated with the project. If the risk element increases so do the costs.
- 7.14 The report seeks the adoption of a capital estimate of £1,000,000 to finance the decant costs of the Watts Grove site. Funding for this will be met from within resources previously set aside by Cabinet to finance the provision of affordable housing.

**8. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE
(LEGAL SERVICES)**

- 8.1 This report is seeking approval from Cabinet for a number of matters, some of the detail of these matters is contained in the Part 2 report but for ease of reference all of the legal advice is contained in this report.
- 8.2 Firstly it seeks approval to appoint a preferred bidder and a reserve bidder and once the contracts terms are finalised to award the development contract and 35 year lease to the successful bidder. A 35 year lease is a disposal and is subject to the provisions of Section 123 of the Local Government Act 1972. The Council is required to get the best consideration reasonably obtainable unless the Secretary of State consents to the disposal. A lease of more than 7 years is defined as a disposal.
- 8.3 The disposal consent for this transaction is the general disposal consent 2003 which permits the Council to dispose of land up to a value of £2 million in any one year . The disposal is a 35 year lease of vacant land at a peppercorn rent. The Council then acquire the lease back of 149 units of accommodation under Section 17 of the Housing Act 1985 for housing purposes and the interest in the land will then fall into the Housing revenue Account (HRA) and payments made under the lease will be made from that account not the general fund. The units will be managed under the existing management contract the Council has with Tower Hamlet Homes Ltd
- 8.4 As this scheme requires the development of the land to produce the units of accommodation it has been procured using the Competitive Dialogue procedure in accordance with the Public Contracts Regulation 2006. This procedure is used in the case of particularly complex contracts where contracting authorities consider that the use of the open or restricted procedure will not allow the award of the contract.
- 8.5 The procurement has followed the procedures laid down by the regulations which are described in detail in the report.
- 8.6 The proposals for the relocation of the existing Watts Grove Depot are set out in detail in the part 2 report and in making any decision on the award of the contract, the Executive Mayor needs to take this into consideration.
- 8.7 The Executive Mayor is asked to agree adoption of capital estimates for the capital expenditure and members have advice in paragraph 7 of the report from the chief finance officer on the implications of this
- 8.8. The Executive Mayor has to satisfy himself that the proposed deal represents best consideration for the disposal of the land for the 35 year lease and best consideration for the development contract given the annual sums which are payable under that.

9. ONE TOWER HAMLETS CONSIDERATIONS

- 9.1 This project provides 149 much need affordable rented units within the Borough. An EIA has been undertaken and is attached to this report.

10. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 10.1 The schemes will comply with the Council's requirements on the reduction of carbon emissions, energy consumption along with green and sustainable construction delivery.

11. RISK MANAGEMENT IMPLICATIONS

- 11.1 The main risks that exist for the project are as follows:

A. The project over-runs its programme, incurring additional costs for the Authority, including bid costs

B. A lack of resources to maintain the programme

The above will be managed through strong project governance arrangements on the project, building on good practice on complex commercial negotiations undertaken by the borough over recent years.

- 11.2 Recent legal advice indicates that although the Authority is leasing the dwellings for the thirty-five year period, there is potential that tenants moving into the properties will maintain their ability to exercise the right to buy on these dwellings. The Authority will therefore continue to be liable for the lease rental payments to the Special Purpose Vehicle, but will no longer generate rental income. The capital receipts generated will be fully usable by the Authority, with resources recycled into the scheme.

- 11.3 There are a number of risks associated with the final tender recommendations and watts Grove decant; these are detailed in the part 2 report.

12. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 12.1 The project will provide homes that are of a better design in terms of orientation to maximise passive supervision of common and external areas, with safe pedestrian routes to and from the homes.

13. EFFICIENCY STATEMENT

Provision of additional new homes will contribute to the Councils Overcrowding Strategy, through rehousing those tenants most in need. The homes will be built to sustainable design standards, therefore reducing the financial impact for residents and users. The procurement process will identify the most efficient means of delivering this key Mayoral priority.

**Local Government Act, 1972 Section 100D (As amended)
List of "Background Papers" used in the preparation of this report**

Brief description of "background papers"	Name and telephone number of holder and address where open to inspection.
Cabinet Report Feb 2013 - CAB81/123	
Cabinet Report Sept 2012 – CAB029/123	Ann Sutcliffe Service Head, Corporate Property & Capital Delivery

Committee/Meeting: Cabinet	Date: 4 th July 2012	Classification: Unrestricted	Report No:
Report of: Corporate Director Community, Localities and Culture and Corporate Director Development and Renewal Originating officer(s) Ann Sutcliffe Service Head Corporate Property and Capital Delivery		Title: Poplar Baths and Dame Colet House – tender process update Wards Affected: Blackwall & Cubitt Town Limehouse East India & Lansbury St Dunstan's & Stepney Green TBC	

Lead Member	Cllr Rabina Khan (Lead Member – regeneration and Housing) Cllr Choudhury [Lead Member – Resources]
Community Plan Theme	Building one Tower Hamlets
Strategic Priority	1.4 Provide effective local services and facilities

1. **SUMMARY**

- 1.1 This report provides Members with an update on the procurement process for the refurbishment of Poplar Baths, provision of new homes and a new Haileybury Youth Centre.

2. **DECISIONS REQUIRED**

Council is recommended to:-

- 2.1 Note the progress made on the procurement process;
- 2.2 Authorise officers to proceed the competitive dialogue to final tenders with bidders 2 and 3 and with the variant bids as set out in the exempt report;
- 2.3 Instruct officers to bring back to Cabinet the final report recommending the final bidder and contract sum prior to contract award; and;
- 2.4 Confirm that funding will be available to meet the potential contract costs subject always to satisfactory tenders and final sum, and the project is incorporated in the capital programme and appropriate capital estimate adopted.

3. REASONS FOR THE DECISIONS

3.1 Cabinet agreed on 6th July 2011 that officers should develop a proposal for Poplar Baths and Dame Colet House for procurement and implementation. The decision was made to achieve the following:

- Refurbished and remodelled Poplar Baths
- Provision of a minimum of a 100 additional new build homes adjacent to Poplar Baths and on the Dame Colet House sites
- Provision of a new build youth facility on the Haileybury Centre site

3.2 Officers have issued the OJEU notice, which achieved a long list and Invitation to Participate in Competitive Dialogue (ITPCD). This reports provide feedback on the ITPCD submission, and the recommendation to proceed into the next stage of dialogue with the final 2 shortlisted bidders as set out in the original OJEU notice.

4. ALTERNATIVE OPTIONS

4.1 There are no alternate options around delivery other than to relinquish the sites. This option would not achieve the objectives as set out to provide much needed leisure facilities, affordable rented homes and a new youth facility.

5. BACKGROUND

5.1 The Cabinet agreed on the 6th July 2011 that the Poplar Baths Project should proceed to procurement, working with private sector partners to delivery the most cost effective option for the Council for the provision of refurbished/remodelled baths, additional home and anew build youth centre.

6.0 Main Body of the Report

Process to date

6.1 LBTH issued an OJEU Contract Notice (2011/S 194-316050) on 8th October 2011 via the London Tenders Portal. The expressions of interest stage closed on 9th November 2011 and a total of 68 parties had responded. The response was so great that the Borough decided to proceed to the next stage of the procurement process and issued a Pre-Qualification Questionnaire (PQQ) in relation to the Official Journal of the European Union (OJEU) Contract "UK-London: Poplar Baths and Dame Colet Project in Tower Hamlets". A total of 6 compliant PQQ submissions were received by the deadline of 1st February 2012 and the Project Board accepted the professional team's recommendation to allow all 6 parties to proceed to the Outline Solutions stage of the Competitive Dialogue Development Partner Procurement Process which began 28th March 2012.

6.2 The 6 parties were as follows:

Bouygues UK consortium

Galliford Try Partnerships

Grosvenor House Group consortium

Guildmore Ltd

Morgan Sindall Investments consortium

Wilmott Dixon Capital Works consortium

- 6.3 Three bidders, the Grosvenor House Group consortium, the Wilmott Dixon consortium and the Galliford Try Partnership all withdrew from the process within the first 2 weeks citing a number of different reasons.
- 6.4 The remaining consortia continued to participate in the Competitive Dialogue procurement process by attending Design & Technical and Legal and Financial meetings between 17th April and 14th May. The Design & Technical meetings comprised of the bidders presenting their designs as they evolved and the client and professional team providing feedback on these designs. The Legal and Financial meetings involved the bidders clarification on the draft Heads of Terms for the Development Agreement, the structure of their consortium and the structure of the proposed transaction.
- 6.5 Outline Solutions were submitted on 21st May by the three remaining consortia.
- 6.6 Outline Solutions comprised of design submissions for Base and Variant schemes on the Poplar Baths and Dame Colet sites as well as financial offers for both the Base and Variant schemes for both sites.
- 6.7 The base scheme for the Baths site comprised the refurbished baths option approved at Cabinet in July 2011 on a 25 year leaseback basis. The bidders were then allowed in their variant bid to amend the lease periods, management basis and the extent of the works to the existing buildings in order to encourage better value bids. Additionally the base scheme also included for a minimum of 60 socially rented housing units to the site behind the baths, again on the basis of a 25 year lease and lease back basis with the Borough managing the housing stock. The variant bid then allowed the bidders to propose different lease terms and management arrangements with the use of registered providers.
- 6.8 For the Dame Colet and Haileybury site the base scheme required the delivery of a minimum of 40 socially rented housing units together with a new youth and community building. For the variant bids bidders were again allowed to vary the lease length and management arrangements in line with the housing on the Baths site.

- 6.9 On 23rd May, each of the consortia presented their submission to the professional team, Evaluation Panel and relevant LBTH personnel.
- 6.10 Following receipt of submissions, the professional team reviewed the full documents and provided the Evaluation Panel with an indication of the recommended score (fail, low, acceptable, good and exemplar) for each section (commercial proposition, planning strategy, quality, mix of uses, local issues and management) of the Technical Evaluation.

Scoring

- 6.10 In accordance with the evaluation criteria set out in the invitation to submit outline solutions the technical element for each scheme and each site was worth 40% of the overall marks with the financial element for each scheme and each site being worth 60% of the overall marks. The technical and financial scores were then added together to give an overall score for:

Poplar Baths Base Scheme

Poplar Baths Variant Scheme

Dame Colet Base Scheme

Dame Colet Variant Scheme

- 6.10 The highest scoring Poplar Baths scheme (Base or Variant) would then be weighted at 70% and the highest scoring Dame Colet scheme (Base or Variant) would then be weighted at 30%, to give an overall score for each bidder.

Technical Evaluation

- 6.11 The Evaluation Panel comprised the both senior council officers and external technical and legal advisors.
- 6.12 Following this evaluation process and endorsed by the Project Board, it is recommended to proceed with the top 2 scoring bidders.
- 6.13 In order to maintain the programme it is intended to invite the 2 successful bidders to commence the next stage of dialogue by the 25th July 2012.

7. COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 7.1 This report outlines the progress made to date with regard to proposals for redevelopment of the Poplar Baths and Dame Colet House sites. Cabinet

has previously agreed (March 2010 and July 2011) to set aside S106 and capital resources in order that the scheme be developed to this stage in the procurement process. Officers now need Mayor and Cabinet financial approval of the scheme, in order to progress to the next stage of the feasibility and procurement process to provide assurance to bidders of the Council's intent.

- 7.2 To protect the Council's financial interest key aspects of the Chief Financial Officer's comments are set out in a separate report on part II of the agenda.
- 7.3 The base scheme on which bidders have been asked to submit outline proposals, has assumed key standard specifications, including the number of housing units to be provided, and that the whole development operate via a finance lease back to the Council. This has been to facilitate a consistent approach to assessing outline bids. Bidders have also been asked to provide a variant bid that provides more development and finance flexibility for the Council, both for the General Fund and Housing Revenue Account functions. Financial approval to progress to the next stage of the competitive dialogue process will include exploring the most cost-effective model of delivery, which may or may not involve a finance lease based approach.
- 7.4 If the Council was to contract for the development itself, rather than through a finance lease arrangement it would have to secure the finance through unsupported borrowing. Whilst the net present value of providing the scheme through borrowing, as opposed to via a leaseback arrangement is likely to be less, over the 25 year period, there are other operational risks that need to be taken into account and enumerated. That assessment will be undertaken as part of the second stage of the competitive dialogue process.
- 7.5 Should Mayor and Cabinet be minded to proceed, whatever finance model is adopted, provision now needs to be made both in the General Fund and the Housing Revenue Account for the likely revenue impacts. Those revenue impacts are significant, will be wholly or partially inflation linked, and will remain as fixed costs to the Council for a minimum of 25 years.
- 7.6 Provision has been made in the Council's medium term financial strategy, as agreed by the Council in February 2012, for additional General Fund capital schemes valuing some £30million to be financed via prudential borrowing. A scheme of this nature, whatever the financial model adopted, will exhaust that provision. Further provision may therefore need to be made in the Medium Term Financial Plan and Capital Programme for any additional capital schemes required over the period of the MTFP. A decision to proceed therefore must be taken in light of competing demands for capital investment likely to come forward, both with regard to existing assets and new facilities that may be required to cope with a growing population, increased housing and the new capital pressures they will bring.
- 7.7 The affordable rents receivable on the housing development, over the period of the HRA business plan, would not be sufficient to repay the development financing costs. That in itself is not unusual. The development of new supply

social and affordable housing invariably requires some form of up-front grant support. As a rule of thumb assumption a £10m affordable housing development scheme would require a minimum £3m cash grant to break even over the period of the business plan. In certain circumstances up to 30% of the development could be financed through Right-to-Buy receipts under new rules announced by the Government in May 2012. Any borrowing within the HRA will need to take account of the Council's debt cap, which puts a statutory limit on the overall level of outstanding debt the Council is able to hold within the HRA.

- 7.8 The housing element of the scheme would generate some £900k additional New Homes Bonus over the six year period following its completion. That could be used to partially offset the net cost of the scheme. However this would be a small proportion of the cost of the scheme.

8. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES)

- 8.1 The Council has conducted the Procurement process for this contract using the Competitive Dialogue procedure in accordance with the Public Contracts Regulation 2006. This procedure is used in the case of particularly complex contracts where contracting authorities consider that the use of the open or restricted procedure will not allow the award of the contract.

- 8.2 A contract is "particularly complex" when the Authority is not able to objectively define:
- the technical means capable of satisfying their needs or objectives and/or
 - the legal and/or financial make up of a project. This is broadly interpreted as contracting authority not be able to produce a single specification or legal/financial documents at the outset which would enable it to identify the best solution to meet its needs One of the purposes of the procurement process is to work with potential providers to identify which solution is best.

- 8.3 The Competitive Dialogue procedure was considered appropriate in this Case given that the Council is seeking to obtain not only the refurbishment of Poplar Baths to bring it back into public use but also the maximum number of new build homes and a new build youth facility on the Haileybury Centre site . The scope of OJEU notice was comprehensively drafted to enable the contracting authority to have discussions with bidders with the aim of identifying and defining the means best suited to meet the contracting authority's needs.

- 8.4 The Competitive Dialogue Process has produced a number of contract proposals from the two remaining bidders which will fulfil the Council's requirements and these now need to be developed and tested through the final stages of the dialogue process to determine which offer will produce maximum benefit for the borough.

- 8.5 This contract will be consistent with the Council's obligation as a best value authority under the Local Government Act 1999 to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

9. ONE TOWER HAMLETS CONSIDERATIONS

- 9.1 This project provides the improved opportunities for access to community leisure and youth facility along with affordable rented homes. At the next stage of dialogue, where there is more certainty around the proposed schemes, a detailed EQIA will be undertaken.

10. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 10.1 The schemes will comply with the Council's requirements on the reduction of carbon emissions, energy consumption along with green and sustainable construction delivery.

11. RISK MANAGEMENT IMPLICATIONS

- 11.1 The main risk that exists for the project are as follows:

- A. The project over-runs its programme incurring additional costs for the Authority, including bid costs
- B. Lack of resources to maintain the programme

The above will be managed through strong project governance arrangements on the project, building on good practice on complex commercial negotiations undertaken by the borough over recent years.

12. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 12.1 The project will provide homes that are of a better design in terms of orientation to maximise passive supervision of common and external areas, with safe pedestrian routes to and from the homes. The community leisure and youth facilities will promote positive activities for young people to engage with.

13. EFFICIENCY STATEMENT

Provision of additional new homes will contribute to the Council's Overcrowding Strategy, through rehousing those tenants most in need. The homes, along with the refurbished properties and the Youth Centre will be built to sustainable design standards, therefore reducing the financial impact

for residents and users. The procurement process will identify the most efficient means of delivering this key Mayoral priority.

Local Government Act, 1972 Section 100D (As amended)
List of “Background Papers” used in the preparation of this report

Brief description of “background papers”	Name and telephone number of holder and address where open to inspection.
Cabinet Report 6 July 2011 Cabinet Report 14 th March 2010	Ann Sutcliffe Service Head, Strategic Property & Capital Delivery

copy DMT

CABINET, 09/01/2013

SECTION

Section One & Two

Aman Dalvi
Corporate Director
Development & Renewal,
2nd Floor,
Mulberry Place

LONDON BOROUGH OF TOWER HAMLE

RECORD OF THE DECISIONS OF THE CAE

HELD AT 5.34 P.M. ON WEDNESDAY, 9 JANUA

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

Members Present:

Mayor Lutfur Rahman	
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)

Other Councillors Present:

Councillor Kabir Ahmed	(Executive Advisor to the Mayor and Cabinet)
Councillor Stephanie Eaton	
Councillor Marc Francis	
Councillor Carlo Gibbs	
Councillor Peter Golds	(Leader of the Conservative Group)
Councillor Md. Maium Miah	(Advisor to the Mayor and Cabinet on Third Sector and Community Engagement)
Councillor Ann Jackson	(Chair, Overview & Scrutiny Committee)
Councillor Gulam Robbani	

Officers Present:

Stephen Adams	- (Finance and Resources Manager, Communities Localities & Culture)
Katherine Ball	- (Senior Accountant, Development & Renewal)
Sarah Barr	- (Senior Strategy Policy and Performance Officer, One Tower Hamlets, Chief Executive's)
Robin Beattie	- (Service Head, Strategy & Resources & Olympic Impact, Communities Localities & Culture)
Anne Canning	- (Service Head Learning & Achievement, Children's Services)

Isobel Cattermole	- (Acting Corporate Director, Children, Schools & Families and Adult Health and Wellbeing)
Deborah Cohen	- (Service Head, Commissioning and Strategy, Adults Health and Wellbeing)
John Coker	- (Strategic Housing Manager, Development & Renewal)
Aman Dalvi	- (Corporate Director, Development & Renewal)
Emily Fieran-Reed	- (Head of Community Safety Partnership, Domestic Violence & Hate Crime)
Isabella Freeman	- (Assistant Chief Executive - Legal Services, Chief Executive's)
Stephen Halsey	- (Corporate Director Communities, Localities & Culture and Interim Head of Paid Service)
Chris Holme	- (Service Head Resources, Development & Renewal)
Numan Hussain	- (Political Advisor to the Mayor, Executive Mayor's Office, Chief Executive's)
Ellie Kuper-Thomas	- (Strategy, Policy and Performance Officer - Executive Mayor's Office, One Tower Hamlets, Chief Executive's)
Paul Leeson	- (Finance Manager, Development & Renewal)
Andy Mace	- (Development Manager, Major Project Development, Development & Renewal)
Jackie Odunoye	- (Head of Strategy, Innovation & Sustainability, Development & Renewal)
Takki Sulaiman	- (Service Head Communications, Chief Executive's)
Ann Sutcliffe	- (Service Head Strategic Property, Development and Renewal)
Claire Symonds	- (Service Head, Customer Access and ICT)
Chris Lovitt	- (Associate Director of Public Health)
Helen Mitchell	- (HRA Accountant)

The following is a record of those decisions taken by the Cabinet at their meeting held on Wednesday 9 January 2013.

Most decisions may be 'called in', by the Assistant Chief Executive, for scrutiny by the Overview and Scrutiny Committee to be held on **Tuesday 5 February 2013** on receipt of a written request.

The **deadline** for the receipt of any such written request is **5.00pm on Friday 18 January 2013**. Such requests should be made to John Williams, Service Head Democratic Services-Tel 020 7364 4204.

The request to "call in" a decision must comply with the requirements set out in the Council's Constitution (Part 4 – Rules of Procedure, Section 4.5 – Overview and Scrutiny Procedure Rules, Rules 16.2 and 16.3). This sets out the time-scale for "call in", those persons who may "call in" and those details the request must contain.

The Council's Constitution (Part 4 – Rules of Procedure, Section 4.5 – Overview and Scrutiny Procedure Rules, Rule 16.4) **sets out those decisions that may not be “called in”** for further consideration by the Overview and Scrutiny Committee.

Report authors will be advised by Democratic Services if any decision in respect of an item they have placed on the agenda has been “called in”.

Any decision not “called in” for scrutiny can be implemented on Monday 21 January 2013.

Any decision ‘called in’ for scrutiny but supported by the Overview and Scrutiny Committee, at its meeting on Tuesday 5 February 2013, can be implemented the following day, Wednesday 6 February 2013.

Any decision ‘called in’ for scrutiny but not supported by the Overview and Scrutiny Committee, at its meeting on Tuesday 5 February 2013, will be referred back to the Mayor in Cabinet for further consideration on Wednesday 6 February 2013.

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)

Action by:

ASSISTANT CHIEF EXECUTIVE – LEGAL SERVICES (I. FREEMAN)
(Committee Services Manager, Democratic Services, Chief Executive's (M. Mannion))

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS

No pecuniary interests were declared however Councillor Shafiqul Haque noted in relation to Item 6.1 that he was a leaseholder but that it was not a Pecuniary Interest and so he would take part in the discussion of that item.

3. UNRESTRICTED MINUTES

The unrestricted minutes of the ordinary meeting of the Cabinet held on 5 December 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

Decision

Pre-decision scrutiny questions on Agenda Items 6.3 (Disposals Programme), 71 (Future Commissioning Arrangements and 8.1 (Bonner Primary School) were **Tabled** and noted.

Reasons for the decision

Alternative options

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

Nil items.

6. A GREAT PLACE TO LIVE

6.1 Payment Support Options to Leaseholders for Repayment of Decent Homes/Major Works Recharges

Decision

1. To adopt the Payment options detailed at Appendix 1
2. To authorise the Corporate Director Development and Renewal in consultation with Assistant Chief Executive (Legal), to enter into all necessary documents to implement the decisions made in respect of this report.

Action by:

CORPORATE DIRECTOR DEVELOPMENT AND RENEWAL (A. DALVI)

(Service Head Housing, Strategy and Regeneration (J. Odunoye)

(Housing Partnerships Manager (J. Kiwanuka)

(Leasehold Manager (B. Whiteside)

Reasons for the decision

Offering a discount for early payment encourages leaseholders, where possible to settle their charges quickly. Non- resident and resident leaseholders will be given an opportunity to benefit from the discount for a timely payment. It is envisaged that this approach will lead to improved cash-flows and lower recovery costs. This outcome is particularly important as it would reduce the risk of a funding shortfall for the Decent Homes programme which is partly dependant on income from leaseholders.

The current policy, offers interest-free periods to all non-resident leaseholders, exposes the council to a potential risk of losing up to £7.9 million as evidenced in the financial impact assessment [Appendix 2](#). Restricting interest-free periods to those who need them mitigates the risk. The restriction is equitable and justifiable as the converse would amount to subsidising leaseholders' businesses.

Interest-free payments can legitimately be offered to resident leaseholders to assist in collecting the charges in the shortest time possible from leaseholders where they are unable to pay the full cost quickly. This can be done in the interest of the Council and the tax payers generally under the general power of competence to minimise the risk of debt recovery and possible write-off.

The current interest rate for extended payment options longer than the initial 3 years is 8.895%. The 8.895% interest was based on the cost to the council of borrowing several years ago which has changed significantly. The proposed new rate of 5.34% is 0.5% above the current cost of borrowing, the 0.5% designed to cover the management of the debt during the repayment period. Offering this rate of interest will be cost neutral to the Council but will assist those leaseholders facing financial difficulties.

Alternative options

No early payment discount – Not offering this option may result in income being received over a longer period with a consequence of increasing the likelihood for bad debt, and damaging relationship between Council & leaseholders, particularly through debt management and recovery actions. The early payment discounts are intended to help raise the much needed income quickly to fund the decent homes programme. This also offers non-resident leaseholders a financial incentive to pay the charges without delay.

Continuing to offer every leaseholder deferred payment - This option would put the council in the position where it was effectively subsidising businesses from the public purse which shouldn't be the case..

Offering repayment terms over more than five years – some Registered Providers offer loans in the form of a mortgage secured on the property. However, adopting this option would result in the council having a mortgage portfolio to manage, a position it is currently trying to run down. The option also has the effect of the Council building long term indebtedness to

leaseholders especially as further works may well be undertaken before the loan for the decent homes works is repaid.

Longer repayment periods - Extending repayment over long periods whilst may be seen as being beneficial to leaseholders the converse may be true. Particularly, as it is likely that over a 10 year repayment period the landlord will have to undertake further work either through additional repairs or planned maintenance programmes which will result in further bills for the leaseholder. Effectively, this approach will have the implication of building indebtedness rather than assisting leaseholders in the long run.

Provision of discretionary loans – Some Local Authorities (LAs) and other Registered Providers (RPs) offer long term loans through mortgages at local authority mortgage rates and subject to equity in the property. However, this option would be challenging to adopt because to act as a lender on such a scale, the Council would have to fund the loans from its capital resources. The resultant mortgage portfolio would also need managing with future resource implications for managing such a service. Consequently, the Council would need to exercise extreme care not to contravene the Financial Services Authority regulations on financial advice and may have to apply for a Consumer Credit Licence.

6.2 Procurement of Decent Homes Contractors and Consultants Years 3 4 and 5

Decision

1. To authorise the Mayor to award the DH works contracts to the contractors and consultants listed in 2.1.1 – 2.1.3 once the results of the leaseholder consultation have been considered,
 - 1.1 Lot 1 Contractors (**Internal Works only**)
 - Chigwell (Shepherds Bush) Ltd
 - RR Richardson LTD
 - 1.2 Lot 2 Contractors (**Internal and External Works**)
 - Apollo Property Services Group LTD
 - Axis Europe PLC and
 - Breyer Group PLC
 - 1.3 Lot 2 Consultants (**Internal and External Works**) **Framework of 6 consultants with the first 3 administering the 2013/14 DH works programme annual mini competition thereafter:**
 - Mace Group
 - John Rowan and Partners LLP
 - Pellings LLP
 - Frankham Consultancy Group Limited
 - Bailey Garner LLP
 - Potter Raper Partnerships
2. To authorise the Assistant Chief Executive (Legal), to enter into all necessary documents to implement the decisions made in respect of this report.

3. To adopt an initial capital estimate of £71 million in respect of the 2013/14 and 2014/15 DH Programme, profiled as 2013/14: £25million and 2014/15: £46 million, in order to enter into the contracts. The details of the programme of works will be subject to a separate report.

Action by:

CORPORATE DIRECTOR DEVELOPMENT AND RENEWAL (A. DALVI)

(Service Head Housing, Strategy and Regeneration (J. Odunoye)

(Housing Partnerships Manager (J. Kiwanuka)

(Decent Homes Procurement Project Manager THH (J. Mack)

Reasons for the decision

Cabinet in June 2011 agreed, for the longer term planning, to secure an OJEU procured and leasehold compliant framework to deliver the capital investment need in the future.

In July 2012 the Council entered into contract with the GLA for the DH Backlog funding. Under the Agreement the Council is contracted to deliver pre-agreed annual targets of DH in order to access the DH Backlog funding. The DH Contractor and Consultant procurement is critical to delivering the DH targets and securing the GLA funding. Therefore, it is vital that contractors are appointed to allow adequate time for procured resources to bed in and mobilise for a start on site at the beginning of the next Financial Year.

Additionally, the Council aims to ensure that its localism agenda is enshrined in its contracting processes by according apprenticeships and utilising local contractors and labour with view to stimulate the local economy. The OJEU procured Contractors have offered to contractually agree to deliver a raft of local benefits including apprenticeships, local labour and use local contractors, which will help stimulate the local economy, and allow local people to acquire relevant skills to enter employment.

Alternative options

Cabinet in June and September 2011 considered and agreed the method of procuring capital investment for the delivery of the DH Programme in 2013-16. It was agreed by Cabinet that for the longer term planning, to secure an OJEU procured and leasehold compliant framework to deliver the capital investment need in the future. The procurement method and process adopted including the results of the procurement exercise detailed within this report are an implementation of the fore mentioned Cabinet decisions.

6.3 Disposals Programme

Decision

1. To note the contents of this report:
2. To agree to the disposal of part of Southern Grove;

3. To authorise officers to secure a planning brief for site at part of Southern Grove;
4. Following consultation with the Mayor and Lead Member for Resources, authorise the Director of Development and Renewal, in conjunction with the Assistant Chief Executive Legal Services, to accept the best tender return for the site on conclusion of the marketing exercise; and ,
5. To authorise officers to appoint external agents to support the marketing of the site.

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

(Service Head – Strategic Property and Capital Delivery (A. Sutcliffe))

Reasons for the decision

It is important at a time of reducing funding and budgets in the public sector, to ensure that efficiencies are driven through the running and/or disposals of our assets to reduce revenue costs.

To continue to review and rationalise council assets, to reduce the Councils operational portfolio to the minimum.

That the site disposal will generate for the council significant capital receipts, for which can be directed to the Mayor's priorities on housing, education and infrastructure projects.

The development of the site will also, alongside the generation of a capital receipt, will bring forward social and affordable housing along with the potential for other community facilities.

Alternative options

The council has considered the option of developing the site directly, but the funding to deliver this as an option is not available.

6.4 Poplar Baths and Dame Colet House - Tender results report and recommendation**Decision**

1. To note this report and that there is a further report to be considered in the Part II Exempt section of the meeting.

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

(Service Head – Strategic Property and Capital Delivery (A. Sutcliffe))

Reasons for the decision

Cabinet agreed on 6th July 2011 that officers should develop a proposal for Poplar Baths and Dame Colet House for procurement and implementation. The decision was made to achieve the following:

- That the retained Poplar Baths be refurbished and remodelled, retaining the heritage features of the building
- Provision of a minimum of a 100 additional new build homes adjacent to Poplar Baths and on the Dame Colet House sites
- Provision of a new build youth facility on the existing Haileybury Centre site

Cabinet further agreed on 4th July 2012 that officers should proceed with their recommended shortlist of two bidders through final dialogue and invite final tenders.

This report provides feedback on the ITSFT submissions, and the recommendation to proceed to conclusion of the tendering process and appointment of the preferred bidder as set out in the original OJEU notice.

Alternative options

The final business case attached in the Part 2 Exempt Report details the alternate options assessment undertaken around delivery.

7. A PROSPEROUS COMMUNITY

7.1 Future Commissioning Arrangements for Public Health Services

Decision

- 1 To approve the commencement of competitive tender processes for the following contracts:
 - (See section 1a of the spread sheet appended to the report); (Please note contracts will not be awarded if insufficient funding is allocated by the DoH and the matter will be brought back to the Mayor)
2. To approve the extension, for up to 12 months, and subsequent procurement during 2013/14, of the following contracts:
 - (See section 1b of the spread sheet appended to the report)
3. To approve the procurement, during 2013/14 of the following contracts scheduled to expire on 31 March 2014:
 - (See section 1c of the spread sheet appended to the report);

4. To note the contracts currently held by the NHS where the services are already provided by the Council. These will become directly provided services from 01 April 2013, and therefore no further commissioning is required:
 - (See section 1d of the spread sheet appended to the report);
5. To note the contracts which the NHS will not maintain beyond 31 March 2013 and will be decommissioned by the PCT. Therefore no commissioning activity is required by the Council:
 - (See section 1e of the spread sheet appended to the report);
6. To approve the transfer of responsibility to the Council for the elements of the current contracts with Barts Health NHS Trust and the East London Foundation Trust (ELFT) which pertain to services delivered to residents of Tower Hamlets and note that the Barts contract expires on 31 March 2014 and the ELFT contract on 30th June 2014. The services currently provided to Tower Hamlets residents under these contracts are:
 - (See section 2a of the spread sheet appended to the report);
7. To note the intention to work with the Tower Hamlets Clinical Commissioning Group, neighbouring Councils and their respective Clinical Commissioning Groups who have an interest in the contracts with the Barts Health NHS Trust during 2013/14 to determine longer term commissioning arrangements which balance local flexibility and priorities with a prudent approach to risk sharing;
8. To delegate authority to the Corporate Director responsible for the functions being exercised in the contracts in accordance with the Council's constitution in consultation with the Cabinet Member for Health and Wellbeing and Assistant Chief Executive (Legal Services), and subject to final approval by the Mayor, to enter into various agreements to give effect to the recommendations detailed above and also to enter an agreement with the Tower Hamlets Clinical Commissioning Group for the management of contractual arrangements with GPs and Pharmacists currently delivered under NHS Local Enhanced Services arrangements or direct employment contracts with the NHS, for the period 1 April 2013 to 31 March 2014. This is subject always to establishing adequate funding and satisfactory terms that protect the Council and deliver local objectives and or other appropriate providers. In particular the services currently provided to Tower Hamlets residents under these Local Enhanced Services arrangements are:
 - (See sections 2c and 2e of the spread sheet appended to the report);
9. To approve the proposed joint commissioning arrangements for the commissioning of sexual health services with the Commissioning Support Unit (who will commission health services on behalf of the Tower Hamlets Clinical Commissioning Group) acting as lead commissioner. The services currently provided to Tower Hamlets residents that fall within the remit of the proposed joint commissioning arrangements are:
 - (See sections 2b and 2d of the spread sheet appended to the report)
10. To delegate authority to the Corporate Director responsible for the functions being exercised in the contracts in consultation with the Cabinet Member for Health and Wellbeing and other relevant Lead Member(s) and chief officer(s), and the Assistant Chief Executive (Legal Services), and subject to final approval by the Mayor, to

approve the award of contracts to the most economically advantageous tenderers following the completion of the procurement processes referred to in recommendations 2, 3 and 4 above subject always to the establishment of appropriate terms and appropriate measures to safeguard local priorities.

11. To delegate authority to the Corporate Director responsible for the functions being exercised in the contracts to undertake and to enter into all appropriate arrangements relating to Equality Impact Assessments and consideration of the Public Sector Equality Duty in accordance with the Equality Act 2010 prior to any decisions being taken on commissioning or de-commissioning of services .

Action by:

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

(Service Head: Commissioning and Strategy (D. Cohen)

Reasons for the decision

To ensure continuity of provision for public health services delivered under contracts which the Council will become responsible for, as a consequence of the enactment of the Health and Social Care Act 2012, from 01 April 2013 and which contribute to maintaining and improving the health of the population of Tower Hamlets.

The Council's Constitution, and the scheme of delegation to officers contained therein, do not currently incorporate the public health functions that will transfer to the Council from 01 April 2013. Up until the transfer date it is necessary, therefore, to seek Cabinet approval for all of the contracts relating to the discharge of those functions irrespective of value.

There are a number of drug / alcohol contracts (set out in section 1.b of the appended spread sheet) which are currently scheduled to expire on 31 March 2013. In order to provide sufficient time to plan a redesign of the treatment pathway for drug and alcohol services, to revise service specifications to reflect the planned redesign, and to undertake competitive procurement processes existing services will need to be maintained for a period of up to twelve months from the current expiry date.

Alternative options

The Mayor in Cabinet could require officers to consider alternative approaches to, or timescales for, the procurement plans set out in this report. This option is not recommended as it would lead to delays in the award of new contracts that may lead to discontinuity of service delivery.

The Mayor in Cabinet could instruct that specific contracts not be reproced. It should be noted, however, that officers have worked closely with public health colleagues, over an extended period of time, to determine the benefits for health and wellbeing in the population of the borough of each of the

services that it is recommended here be reprocured. For this reason this alternative option is not recommended.

The Mayor in Cabinet could instruct that specific contracts, and / or contracts above a particular value are brought back to Cabinet for the contract award decision to be made, in preference to delegating authority to award those contracts to officers. However care needs to be taken to ensure delay in award does not impact on service delivery

The Mayor in Cabinet could choose not to extend the contracts managed by the Drug and Alcohol Action Team and instruct that notices of termination be issued to existing providers. This alternative option is not recommended as it would leave a particularly vulnerable group of residents of the borough at risk of significant deterioration in their health and wellbeing, and of increasing levels of crime.

8. A SAFE AND COHESIVE COMMUNITY

8.1 Bonner Primary School - Proposed Extension

Decision

1. To note the contents of this report;
2. To agree that statutory proposals should be published for the enlargement of Bonner Primary School to admit 120 pupils in each year from September 2013.
3. To authorise the Acting Corporate Director Children Schools and Families, after consulting with the Mayor, Cabinet Member for Children's Services and the Assistant Chief Executive (Legal Services), to negotiate and agree such terms (including, in either case, the payment of appropriate financial compensation), as will enable the proposed extension to Bonner Primary School either to share the PDC with the University until 2018, or for the University to vacate those parts of the PDC which it occupies and move into alternative premises.
4. To authorise the Acting Corporate Director Children Schools and Families, after consulting with the Mayor, Cabinet Member for Children's Services and the Assistant Chief Executive (Legal Services) to negotiate and agree with the University such terms for the University's continued occupation of the PDC as will enable the University to continue to enjoy its current use of the PDC in a manner which is consonant with the University's reasonable expectations including (without prejudice to the generality of the foregoing), teaching both undergraduate and post-graduate students in an environment not inimical to academic study.

5. To authorise the Acting Corporate Director Children Schools and Families after consulting with the Mayor, Cabinet Member for Children's Services and the Assistant Chief Executive (Legal Services) to take such steps as are necessary in the planning and design process to ensure that the Council is enabled fully to comply with its legal obligations relating to the safeguarding of children.

Action by:

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

(Head of Building Development (P. Watson))

Reasons for the decision

Proposals have been developed to expand Bonner Primary School to assist in the LA's programme to provide primary school places to meet growing local need. Initial consultation on the proposals has been held. Cabinet is asked to consider the proposed expansion, the response to the initial consultation and the recommendation that statutory proposals for the expansion should be published. The publication of statutory proposals is required in order to implement this change to the school.

Although decisions were taken on the PDC in September of this year, by the Mayor in Cabinet, the University has since issued court proceedings against the Council, seeking judicial review of those decisions and alleging that they were invalid.

Without making any concessions as to whether there is any basis for the legal proceedings, it is considered sensible that the decisions should be considered afresh and that explicit consideration should be given to the University's concerns.

Alternative options

In order to meet the rising need for school places, the Council has implemented a number of school expansion projects and continues to develop further schemes to meet need. Longer term development plans for the borough include proposals for new primary schools. However, further expansion proposals are needed to keep pace with the need, so taking no action would leave the Council at risk of being unable to discharge its statutory functions. The options for expansion have been considered having regard to the factors set out in paragraphs 6.6 to 6.24 of the report.

9. A HEALTHY AND SUPPORTIVE COMMUNITY

9.1 Violence Against Women and Girls Plan

Decision

1. To agree the Violence Against Women and Girls Plan as set out in Appendix 1.
2. To consider the equality analysis in Appendix 2.
3. To note that the Violence Against Women and Girls Plan has been prepared with the Council's major partners to be the appropriate detailed service and partnership framework for addressing all forms of violence against women and girls within the Borough.

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

(Head of Community Safety (E. Fieran-Reed)
(Domestic Violence & Hate Crime Manager (S Narayan)

Reasons for the decision

Addressing violence against women & girls is already recognised as a priority area regionally, nationally & internationally. The UN declaration on the Elimination of Violence Against Women was adopted by the General Assembly in 1993. This was followed by a resolution of intensification of efforts to eliminate all forms of violence against women in 2009.

In 2010, the Mayor of London published 'The Way Forward', a London-wide plan aimed to end all forms of violence against women in the capital. In 2011 the coalition government published its 'Call to end violence against women & girls' which outlines the responsibility of local authorities to co-ordinate their response to VAWG issues.

The Mayor of Tower Hamlets has been proactive in supporting work in this area and it forms part of the Mayors priority to drive down violent crime in the Borough. Tower Hamlets VAWG Plan takes a pro-active partnership approach to addressing this problem and makes a strong statement about the Council's commitment to safeguarding adults & children & pursuing gender equality.

Alternative options

Do not have a VAWG Plan. This would result in fragmented service planning between partners, duplication, lack of focus and inefficient use of scarce resources by all of the key partners engaged in reducing violence against women and girls.

Do not agree this plan but ask for a different plan with different priorities. This plan has been prepared in close consultation with all of the Council's major partners engaged in reducing violence against women and girls. As such it represents a shared platform of joint priorities that best reflect the way to maximise cross sector and organisation impact. The Plan has been based on established Council priorities to date and such a decision would cause significant delay to the process of joint planning and the achievement of more effective outputs for the Women and Girls at risk in the Borough.

10. ONE TOWER HAMLETS

10.1 Housing Revenue Account First Budget and Rent Setting Report - 2013/14

Decision

1. To agree that the Authority will continue to follow rent restructuring guidelines, and that therefore, the average 2013/14 weekly rent increase for tenanted Council dwellings will be £4.39 and the average weekly tenanted service charge increase will be £0.25 from the first rent week in April 2013.
2. To note that the HRA budget will be presented to Cabinet for approval in February 2013.

Action by:

CORPORATE DIRECTOR DEVELOPMENT AND RENEWAL (A. DALVI)

(Service Head - Resources (C. Holme)

(Finance Manager (P. Leeson)

(Senior Accountant, D&R (K. Ball)

Reasons for the decision

The Council must prepare proposals in January and February each year relating to income from rents and other charges, and expenditure in relation to management and maintenance of its housing stock. A decision is required with regard to rents and service charges in January in order that statutory notice can be given to tenants prior to 1st April implementation.

Alternative options

The Council is not obliged to follow national rent policy, but any rent increase below that assumed in the business plan would put at risk the Council's ability to fund the future capital programme. Mayor and Cabinet can determine to increase rents either above or below that recommended; the financial consequences of either decision are set out in section 9 of this report.

10.2 Council Tax Base Report

Decision

1. To consider and agree that:
 - in relation to second homes, furnished empty properties, properties undergoing refurbishment, and new properties, the Council can charge up to 100% of the full Council Tax payable;

- for properties empty for more than 2 years, a levy of 1.5 times the full Council Tax payable be charged; and
 - agree the policy on “Section 13a Council Tax Reductions”
2. To approve, in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992, that the amount calculated by the London Borough of Tower Hamlets as its Council Tax Base for the year 2013/14 shall be 71,531 including the technical changes.

Action by:**SECTION 151 OFFICER, SERVICE HEAD – FINANCIAL SERVICES, RISK & ACCOUNTABILITY (A. FINCH)**

(Head of Revenue Services (R. Jones))

Reasons for the decision

To provide a simplified Council Tax policy and promote occupation of empty properties

The scheme for calculation of council tax established under the Local Government Finance Act 1992 requires local authorities to agree their Council Tax Base and to notify it to the preceptors (GLA) by 31st January 2013.

If the tax base is not agreed and notified to the Preceptor by 31st January 2013, this may prejudice the calculation of Council Tax for 2013/14.

Alternative options

The Council is obliged to consider the Government’s technical reforms and agree its response to them.

The recommendations contained within this report are made in line with the statutory requirements outlined in sections 3.2 and 3.3 of this report; and the alternative options in setting its Council Tax Base.

10.3 General Fund Capital and Revenue Budgets and Medium Term Financial Plan 2013/14-2015-16**Decision**

1. To agree to propose the items listed below for public consultation and consideration by the Overview & Scrutiny Committee in accordance with the Budget and Policy Framework (Section 15). A further report will then be submitted to the next Cabinet meeting in February detailing the results of consultations and inviting the Cabinet to recommend a budget Requirement and Council Tax for 2013-14 to Full Council.

a. Funding

The funding available for 2013-14 and the indications and forecasts for future years (section 8) and note the introduction of the new local government funding system (Appendix 2).

b. Base Budget 2013-14

The Base Budget for 2013-14 as £293.865m as detailed in Appendix 2.

c. Growth and Inflation

The risks identified from potential inflation and committed growth arising in 2013-14 and future years and as set out in Section 9 and in Appendix 3.

d. General Fund Revenue Budget and Medium Term Financial Plan 2013-14 to 2015-16

The initial budget proposal and Council Tax for 2013-14 together with the Medium Term Financial Plan set out in Appendix 1 and the savings targets arising.

e. Savings

Savings items proposed to be included in budgets for 2013-14 and future years set out in Section 10 and in Appendices 4 and 5.

f. Capital Programme

The capital programme to 2014-15, including the proposed revisions to the current programme as set out in section 14 and detailed in Appendix 9.

g. Dedicated Schools Grant

The position with regard to Dedicated Schools Grant as set out in section 12 and Appendix 7.

h. Housing Revenue Account

The position with regard to the Housing Revenue Account as set out in section 13 and Appendix 8.

i. Financial Risks: Reserves and Contingencies

Advice on strategic budget risks and opportunities as set out in section 11 and Appendices 6.1, 6.2 and 6.3.

j. Reserves and Balances

The position in relation to reserves as set out in the report and further detailed in Appendices 6.1 and 6.3, and officers' advice on the strategy for general reserves at 8.40.

Action by:

SECTION 151 OFFICER, SERVICE HEAD – FINANCIAL SERVICES, RISK & ACCOUNTABILITY (A. FINCH)

Reasons for the decision

The Council is under an obligation to set a balanced budget for the forthcoming year and to set a Council Tax for the next financial year by 7th March 2013. The setting of the budget is a decision reserved for Council. The Council's Budget and Policy Framework requires that a draft budget is issued for consultation with the Overview & Scrutiny Committee at this meeting to allow for due process.

The announcements that have been made about Government funding for the authority require a robust and timely response to enable a balanced budget to be set.

Alternative options

The authority is bound to respond to the cuts to Government funding of local authorities and to set an affordable Council Tax and a balanced budget, while meeting its duties to provide local services. This limits the options available to Members. Nevertheless, the authority can determine its priorities in terms of the services it seeks to preserve and protect where possible, and to a limited extent the services it aims to improve further, during the period of cuts.

10.4 London Borough of Tower Hamlets Council Tax Support Scheme

Decision

1. To agree the proposed Council Tax Support scheme as the replacement to Council Tax Benefit from April 2013. (The draft scheme is published on the Council's website)
2. To note the results of the public consultation on the Council Tax Support scheme.
3. To note that the scheme will need to be agreed by full Council.
4. To note that adoption of the scheme will enable the council to apply for part of a £100m DCLG transition grant.

Action by:

SECTION 151 OFFICER, SERVICE HEAD – FINANCIAL SERVICES, RISK & ACCOUNTABILITY (A. FINCH)

(Claire Symonds – (Service Head Customer Access & ICT)
(Steve Hill – (Head of Benefits Services)

Reasons for the decision

The Council is obliged to agree a local Council Tax Support scheme to replace the national Council Tax Benefit Scheme which will be abolished in April 2013. Since Cabinet's decision on the 25th July, the Council Tax Support scheme for Tower Hamlets has been designed and developed, and consultation in accordance with the requirements currently indicated in the Local Government Finance Bill 2010-2012 has taken place. This report updates Members on the progress made and sets out the decisions that are now required.

The local Council Tax Support scheme needs to be submitted to DCLG by 31st January 2013.

Alternative options

The Council is required by law to put in place a council tax reduction scheme by 31 January 2013. If it does not do so, then the Government's default scheme will apply in Tower Hamlets. The default scheme is set out in the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 and is publicly available.

The Council has limited discretion as to the contents of its council tax reduction scheme, as the scheme must contain the matters required by the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012. The chief area of discretion relates to non-pensioners, in respect of whom a means-based approach is proposed as set out in the report.

It is also proposed, for reasons set out in the report, that the scheme is framed so as to permit the Council not to pass on the Government's 10% reduction in funding.

An alternative approach would be possible, but may require further consultation and analysis.

10.5 Contracts Forward Plan Q3

Decision

1. To consider the contract summary at Appendix 1, and identify those contracts about which specific reports – relating either to contracting strategy or to contract award – should be brought before Cabinet prior to contract award by the appropriate Chief Officer for the service area;

2. To authorise the relevant Corporate Director who holds the budget for the service area to award the contract or contracts following consultation with the Assistant Chief Executive (Legal Services) on the relevant terms and conditions of contract with the exception of the Domiciliary Care Framework Contract (AHWB 4396) which was deferred; and
3. To authorise the Assistant Chief Executive (Legal Services) to execute all necessary contract documents in respect of the awards of contracts referred to at recommendation 2 above.

Reasons for the decision

The Council's Procurement Procedures require submission of a quarterly forward plan of contracts for Cabinet consideration, and it is a requirement of the Constitution that "The contracting strategy and/or award of any contract for goods or services with an estimated value exceeding £250,000, and any contract for capital works with an estimated value exceeding £5,000,000, shall be approved by the Cabinet in accordance with the Procurement Procedures". This report fulfils these requirements for contracts to be let during the period Q4 of the Financial Year and beyond.

Alternative options

As bringing a consolidated report on contracting activity is considered the most efficient way of meeting the requirement in the Constitution, whilst providing full visibility of contracting activity, no alternative proposals are being made.

10.6 Procurement Plan**Decision**

1. To note the Procurement Policy Priorities.

Reasons for the decision

The way the Council sets about procuring works, goods and services is important to achieving compliance with legislation, delivering and demonstrating value for money and delivering its policy priorities.

Alternative options

The approach of public sector organisations to procurement is primarily governed by UK and EU law and the need to find substantial savings over the forthcoming period. Within that, the authority can set its own priorities in relation to the lawful objectives it sets out to achieve through its procurement processes.

11. ANY OTHER UNRESTRICTED BUSINESS CONSIDERED TO BE URGENT**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.

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 16.1. "Poplar Baths and Dame Colet House – Tender results report and recommendation" 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 16.1. "Poplar Baths and Dame Colet House – Tender results report and recommendation" 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

Nil items.

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

16.1 Poplar Baths and Dame Colet House - Tender results report and recommendation

Decision

1. To agree to the recommendation of the procurement evaluation panel to appoint bidder 1 as preferred bidder;
2. To authorise officers to proceed with the final stage of procurement in finalising the Development Agreement;
3. In consultation with the Mayor and the Cabinet Members for Housing and Resources, to nominate Bidder 2 as a reserve and to call upon this reserve Bidder if finalisation of the Development Agreement with the preferred bidder does not proceed as authorised;
4. To authorise the Director of Community Localities and Culture and the Assistant Chief Executive Legal in conjunction to finalise the Development Agreement terms in accordance with the bid and following consultation with the Mayor and the Lead Member for Resources to complete the Development Agreement and ancillary documents;
5. To adopt a capital estimate to the value of £36m for the development of the Poplar Baths and Dame Colet sites in order to make provision for the eventuality of the reserve bidder being required; and
6. To confirm that funding requirements as outlined in the Part 2 report will be available to meet the potential Development Agreement costs subject to entering into the Development Agreement.

Action by:

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

(Service Head – Strategic Property and Capital Delivery (A. Sutcliffe))

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 7.25 p.m.

Isabella Freeman
ASSISTANT CHIEF EXECUTIVE (Legal Services)

LONDON BOROUGH OF TOWER HAMLETS

RECORD OF THE DECISIONS OF THE CABINET

HELD AT 5.35 P.M. ON WEDNESDAY, 4 JULY 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 Shahed Ali	(Cabinet Member for Environment)
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 Rania Khan	(Cabinet Member for Culture)
Councillor Oliur Rahman	(Cabinet Member for Children's Services)

Other Councillors Present:

Councillor Kabir Ahmed	(Executive Advisor to the Mayor and Cabinet)
Councillor Stephanie Eaton	
Councillor Peter Golds	(Leader of the Conservative Group)
Councillor Ann Jackson	(Chair, Overview & Scrutiny Committee)
Councillor Md. Maium Miah	(Advisor to the Mayor and Cabinet on Third Sector and Community Engagement)
Councillor Gulam Robbani	(Executive Advisor to the Mayor and Cabinet on Adult Social Care)

Others Present:**Officers Present:**

Ross Archer	– (Political Adviser to the Conservative Group, Chief Executive's)
Sarah Barr	– (Senior Strategy Policy and Performance Officer, One Tower Hamlets, Chief Executive's)
Robin Beattie	– (Service Head, Strategy & Resources & Olympic Impact, Communities Localities & Culture)
Kate Bingham	– (Acting Service Head Resources, Children

	Schools & Families)
Stephen Cody	– (Interim Corporate Director Adults Health & Wellbeing)
David Courcoux	– (Political Adviser to the Labour Group, Chief Executive's)
Aman Dalvi	– (Corporate Director, Development & Renewal)
Thorsten Dreyer	– (Strategy & Business Development Manager – Culture Environmental Control & Spatial Planning, Communities Localities and Culture)
Emily Fieran-Reid	– (Head of Community Safety Partnership, Domestic Violence & Hate Crime)
Isabella Freeman	– (Assistant Chief Executive - Legal Services, Chief Executive's)
Chris Holme	– (Service Head Resources, Development & Renewal)
Paul Leeson	– (Finance Manager, Development & Renewal)
Andy Mace	– (Development Manager, Major Project Development, Development & Renewal)
Chris Naylor	– (Corporate Director Resources)
Jackie Odunoye	– (Service Head, Strategy, Regeneration & Sustainability, Development & Renewal)
Takki Sulaiman	– (Service Head Communications, Chief Executive's)
Ann Sutcliffe	– (Service Head Building Strategic Property and Capital Delivery, Development & Renewal)
James Walsh	– (Housing Regeneration Officer, Major Project Development, Development & Renewal)
Chris Worby	– (Technical Advisor to Senior Managers, Development & Renewal)
Matthew Mannion	– (Committee Services Manager, Democratic Services, Chief Executive's)
Angus Taylor	– (Interim Committee Services Manager (Operational), Democratic Services, Chief Executive's)

The following is a record of those decisions taken by the Cabinet at their meeting held on Wednesday 4th July 2012.

Most decisions may be 'called in', by the Assistant Chief Executive, for scrutiny by the Overview and Scrutiny Committee to be held on **Tuesday 24th July 2012** on receipt of a written request.

The **deadline** for the receipt of any such written request is **5.00pm on Friday 13th July 2012**. Such requests should be made to John Williams, Service Head Democratic Services-Tel 020 7364 4204.

The request to "call in" a decision must comply with the requirements set out in the Council's Constitution (Part 4 – Rules of Procedure, Section 4.5 – Overview and Scrutiny Procedure Rules, Rules 16.2 and 16.3). This

sets out the time-scale for “call in”, those persons who may “call in” and those details the request must contain.

The Council’s Constitution (Part 4 – Rules of Procedure, Section 4.5 – Overview and Scrutiny Procedure Rules, Rule 16.4) **sets out those decisions that may not be “called in”** for further consideration by the Overview and Scrutiny Committee.

Report authors will be advised by Democratic Services if any decision in respect of an item they have placed on the agenda has been “called in”.

Any decision not “called in” for scrutiny can be implemented on Monday 16th July 2012.

Any decision ‘called in’ for scrutiny but supported by the Overview and Scrutiny Committee, at its meeting on Tuesday 24th July 2012, **can be implemented** the following day, **Wednesday 25th July 2012.**

Any decision ‘called in’ for scrutiny but not supported by the Overview and Scrutiny Committee, at its meeting on Tuesday 24th July 2012, **will be referred back to the Mayor in Cabinet** for further consideration on **Wednesday 25th July 2012.**

MR L. RAHMAN (MAYOR) IN THE CHAIR

1. APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of:

- Ms I. Cattermole, Acting Corporate Director Children Schools and Families, for whom Ms K. Bingham, Service Head Resources, Children Schools and Families, was deputising.
- Mr Stephen Halsey, Corporate Director Communities, Localities and Culture, for whom Mr Robin Beattie, Service Head Strategy and Resources and Olympic Impact, Communities, Localities and Culture, was deputising.

Apologies for lateness were received on behalf of:

- Councillor Oliur Rahman, Cabinet Member for Children’s Services.

Noted.

Action by:

ASSISTANT CHIEF EXECUTIVE – LEGAL SERVICES (I. FREEMAN)

Interim Committee Services Manager (Operational), Democratic Services, Chief Executive’s (A. Taylor)

2. DECLARATIONS OF INTEREST

Councillor Oliur Rahman declared a personal interest in Agenda item 6.1 “Ocean Estate” (CAB 014/123). The declaration of interest was made on the basis that the report contained recommendations relating to the Ocean Estate, partly located in St Dunstan’s and Stepney Green Ward, and Councillor Rahman was a Ward Councillor for that Ward.

Councillor Ohid Ahmed declared a personal interest in Agenda item 10.1 “Poplar Baths and Dame Colet House – tender process update” (CAB 016/123). The declaration of interest was made on the basis that the report contained recommendations relating to Poplar Baths and he had a close relationship with the Poplar Baths Steering Group and had participated in the community campaign to reopen the baths.

Councillor Abdul Asad declared a personal interest in Agenda item 10.1 “Poplar Baths and Dame Colet House – tender process update” (CAB 016/123). The declaration of interest was made on the basis that the report contained recommendations relating to Dame Colet House, which was located close to his home.

Councillor Alibor Choudhury declared a personal interest in Agenda item 10.1 “Poplar Baths and Dame Colet House – tender process update” (CAB 016/123). The declaration of interest was made on the basis that the report contained recommendations relating to Dame Colet House/ Haileybury Centre and Councillor Choudhury had been a member of the Authority’s Strategic Development Committee and been present at the meeting of it which determined that Section 106 monies be allocated to Dame Colet House/ Haileybury Centre.

Councillor Oliur Rahman declared a personal interest in Agenda item 10.1 “Poplar Baths and Dame Colet House – tender process update” (CAB 016/123). The declaration of interest was made on the basis that the report contained recommendations relating to Dame Colet House, located in St Dunstan’s and Stepney Green Ward, and Councillor Rahman was a Ward Councillor for that Ward.

Councillor Ohid Ahmed declared a personal interest in Agenda item 20.1 “Poplar Baths and Dame Colet House – tender process update” (CAB 017/123). The declaration of interest was made on the basis that the report contained recommendations relating to Poplar Baths and he had a close relationship with the Poplar Baths Steering Group and had participated in the community campaign to reopen the baths.

Councillor Abdul Asad declared a personal interest in Agenda item 20.1 “Poplar Baths and Dame Colet House – tender process update” (CAB 017/123). The declaration of interest was made on the basis that the report contained recommendations relating to Dame Colet House, which was located close to his home.

Councillor Alibor Choudhury declared a personal interest in Agenda item 20.1 "Poplar Baths and Dame Colet House – tender process update" (CAB 017/123). The declaration of interest was made on the basis that the report contained recommendations relating to Dame Colet House/ Haileybury Centre and Councillor Choudhury had been a member of the Authority's Strategic Development Committee and been present at the meeting of it which determined that Section 106 monies be allocated to Dame Colet House/ Haileybury Centre.

Councillor Oliur Rahman declared a personal interest in Agenda item 20.1 "Poplar Baths and Dame Colet House – tender process update" (CAB 017/123). The declaration of interest was made on the basis that the report contained recommendations relating to Dame Colet House, located in St Dunstan's and Stepney Green Ward, and Councillor Rahman was a Ward Councillor for that Ward.

Noted.

Action by:

ASSISTANT CHIEF EXECUTIVE - LEGAL SERVICES (I. FREEMAN)

Interim Committee Services Manager (Operational), Democratic Services, Chief Executive's (A. Taylor)

3. UNRESTRICTED MINUTES

The unrestricted minutes of the ordinary meeting of the Cabinet held on 20th June 2012 were **Tabled** for information (Cabinet meeting – 4th July 2012).

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

Nil items.

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

Nil items.

6. A GREAT PLACE TO LIVE

6.1 Ocean Estate (CAB 014/123)

Councillor Oliur Rahman declared a personal interest in Agenda item 6.1 "Ocean Estate" (CAB 014/123). The declaration of interest was made on the basis that the report contained recommendations relating to the Ocean Estate, partly located in St Dunstan's and Stepney Green Ward, and Councillor Rahman was a Ward Councillor for that Ward.

Decision

1. That it be agreed that the Corporate Director Development and Renewal progress Option B:
 - To develop the option to redevelop the H blocks, noting this will mean permanent re-housing of council tenanted households and acquisition of the 37 leasehold interests; also noting that 2 years financing of approximately £5.05 million to meet the total buy out and re-housing costs estimated at £8.65 million will need to be resourced; and
2. That in the context of Option B having been agreed in Decision 1 above, it be agreed that tenants will need to be awarded decant status; and it also be agreed that they be given priority for the new local homes developed upon the Ocean estate should that be their preferred option;
3. That in the context of Option B having been agreed in Decision 1 above, it be agreed that an "Initial Demolition Notice" should be served upon tenanted households, which has the effect of allowing the Authority to refuse to dispose of affected properties under the Right to Buy;
4. That it be agreed that the Corporate Director of Development and Renewal, after consultation with the Assistant Chief Executive Legal Services, and the Mayor, be authorised to finalise arrangements to deliver the redevelopment of the H blocks site; and
5. Agree that the Corporate Director of Development and Renewal, after consultation with the Assistant Chief Executive (Legal Services), be authorised to execute all documents to make a compulsory purchase order of the properties and all interest, within the red line plan attached at Appendix 1 to the report (CAB 014/123), under S17 of the Housing Act 1985 or under Section 226(1) of the Town and Country Planning Act 1991 (as amended) and including new rights pursuant to S13 Local Government (Miscellaneous Provisions) 1976.

Action by:

CORPORATE DIRECTOR DEVELOPMENT AND RENEWAL (A. DALVI)

Service Head Strategy Sustainability and Regeneration, Development and Renewal (J. Odunoye)
Strategic Housing Manager, Strategy Sustainability and Regeneration, Development and Renewal (J. Coker)
Technical Adviser to Senior Management, Development and Renewal (C. Worby)

6.2 Community Safety Plan 2012 - 2013: Reference from the Council meeting, 18th June 2012 (CAB 015/123)

Decision

1. That the proposed amendments to the draft Community Safety Plan 2012/13 which the extraordinary full Council, held on 18th June 2012, requested that the Mayor in Cabinet should consider and agree, be noted;
2. That the decision of the Mayor in Cabinet, made on 4th April 2012, in relation to draft Community Safety Plan 2012/13 be reaffirmed, and that full Council be recommended to adopt the Plan, as contained in Appendix A to the April Cabinet report (CAB 102/112); and
3. That it be agreed that the draft Community Safety Plan 2012/13 be submitted unrevised to full Council together with the Mayor's reasons for disagreement with the full Council's proposed amendments.

Action by:

ASSISTANT CHIEF EXECUTIVE – LEGAL SERVICES (I. FREEMAN)

Service Head Democratic Services, Chief Executive's (J. Williams)

CORPORATE DIRECTOR COMMUNITIES LOCALITIES AND CULTURE (S. HALSEY)

Service Head Safer Communities, Communities, Localities and Culture (A. Bamber)

Head of Community Safety Partnership Domestic Violence and Hate Crime, Communities, Localities and Culture (E. Fieran-Reed)

7. A PROSPEROUS COMMUNITY

Nil items.

8. A SAFE AND COHESIVE COMMUNITY

Nil items.

9. A HEALTHY AND SUPPORTIVE COMMUNITY

Nil items.

10. ONE TOWER HAMLETS**10.1 Poplar Baths and Dame Colet House - tender process update (CAB 016/123)**

Councillor Ohid Ahmed declared a personal interest in Agenda item 10.1 "Poplar Baths and Dame Colet House – tender process update" (CAB 016/123). The declaration of interest was made on the basis that the report contained recommendations relating to Poplar Baths and he had a close relationship with the Poplar Baths Steering Group and had participated in the community campaign to reopen the baths.

Councillor Abdul Asad declared a personal interest in Agenda item 10.1 "Poplar Baths and Dame Colet House – tender process update" (CAB 016/123). The declaration of interest was made on the basis that the report contained recommendations relating to Dame Colet House, which was located close to his home.

Councillor Alibor Choudhury declared a personal interest in Agenda item 10.1 "Poplar Baths and Dame Colet House – tender process update" (CAB 016/123). The declaration of interest was made on the basis that the report contained recommendations relating to Dame Colet House/ Haileybury Centre and Councillor Choudhury had been a member of the Authority's Strategic Development Committee and been present at the meeting of it which determined that Section 106 monies be allocated to Dame Colet House/ Haileybury Centre.

Councillor Oliur Rahman declared a personal interest in Agenda item 10.1 "Poplar Baths and Dame Colet House – tender process update" (CAB 016/123). The declaration of interest was made on the basis that the report contained recommendations relating to Dame Colet House, located in St Dunstan's and Stepney Green Ward, and Councillor Rahman was a Ward Councillor for that Ward.

Decision

1. That the progress made on the procurement process be noted; and
2. That consideration of recommended decisions 2.2 to 2.4, as set out in the report (CAB 016/123), be deferred until the consideration of the exempt/ confidential report "Poplar Baths and Dame Colet House - tender process update" (CAB 017/123) in Section two of the proceedings.

CORPORATE DIRECTOR COMMUNITIES LOCALITIES AND CULTURE (S. HALSEY)

CORPORATE DIRECTOR DEVELOPMENT AND RENEWAL (A. DALVI)
Service Head, Corporate Property and Capital Delivery, Development and Renewal (A. Sutcliffe)

11. ANY OTHER UNRESTRICTED BUSINESS CONSIDERED TO BE URGENT

Nil items.

12. UNRESTRICTED REPORTS FOR INFORMATION

Nil items.

13. EXCLUSION OF THE PRESS AND PUBLIC**Decision**

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 20th June 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 London Housing Corporation (LHC) and the Council.
 - ∇ The financial affairs of both the Council and Rich Mix Cultural Foundation.
 - In respect of which a claim to legal professional privilege could be maintained in legal proceedings. In particular both legal advice as well as material prepared in direct contemplation of legal proceedings.
 - Agenda item 20.1 “Poplar Baths and Dame Colet House – tender process update” (CAB 017/123).” 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 20th June 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 London Housing Corporation (LHC) and the Council.
 - ∇ The financial affairs of both the Council and Rich Mix Cultural Foundation.
 - In respect of which a claim to legal professional privilege could be maintained in legal proceedings. In particular both legal advice as well as material prepared in direct contemplation of legal proceedings.
 - Agenda item 20.1 "Poplar Baths and Dame Colet House – tender process update" (CAB 017/123)." 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.

SUMMARY OF EXEMPT PROCEEDINGS

14. EXEMPT / CONFIDENTIAL MINUTES

Minutes (Cabinet 20th June 2012) **Tabled** 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

20.1 Poplar Baths and Dame Colet House - tender process update (CAB 017/123)

Recommendations agreed with amendment by Mayor.

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

Nil items.

22. EXEMPT / CONFIDENTIAL REPORTS FOR INFORMATION

Nil items.

The meeting ended at 6.25 p.m.

Isabella Freeman
ASSISTANT CHIEF EXECUTIVE (Legal Services)

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Committee/Meeting: Cabinet	Date: 9 th Jan 2013	Classification: Unrestricted	Report No: CAB
Report of: Corporate Director Community, Localities and Culture and Corporate Director Development and Renewal Originating officer(s) Ann Sutcliffe Service Head Corporate Property and Capital Delivery		Title: Poplar Baths and Dame Colet House – tender process update and selection of preferred bidder Wards Affected: Blackwall & Cubitt Town Limehouse East India & Lansbury St Dunstan's & Stepney Green	

Lead Member	Cllr Rabina Khan (Lead Member – Housing and Development) Cllr Choudhury (Lead Member – Resources)
Community Plan Theme	Building one Tower Hamlets
Strategic Priority	1.4 Provide effective local services and facilities

1. **SUMMARY**

- 1.1 This report deals with the selection of the preferred bidder for the Poplar Baths and Dame Colet Project and the delegated authority to conclude Contract negotiations and enter into contract with the preferred bidder.
- 1.2 This report provides Members with an update on the procurement process for the refurbishment and re-use of Poplar Baths, provision of new homes adjacent to the Poplar Baths Site, new homes on the Dame Colet site and the provision of a new Haileybury Youth Centre.

2. **DECISIONS REQUIRED**

Council is recommended to:-

- 2.1 Agree to the recommendation of the procurement evaluation panel to approve the developer consortium mentioned in the tabled Part 2 report as the preferred bidder;
- 2.2 Authorise officers to proceed with the final stage of procurement in finalising agreements with a preferred bidder;

- 2.3 Authorise officers to nominate the unsuccessful bidder as a reserve and to authorise the Director of Community Localities and Culture, following discussion with the Executive Mayor to call upon this reserve if the preferred bidder's position deviates significantly from that tendered.
- 2.4 Following consultation with the Executive Mayor and the Lead Member for Resources, authorise the Director of Community Localities and Culture and the Assistant Chief Executive Legal in conjunction to approve and finalise the contract terms in accordance with the bid and to complete the contract; and,
- 2.5 A capital estimate to the value of £36m be referred to full Council for the development of the Poplar Baths and Dame Colet sites.
- 2.6 Confirm that funding requirements as outlined in the Part 2 report will be available to meet the potential contract costs subject completion of the contract.

3. REASONS FOR THE DECISIONS

- 3.1 Cabinet agreed on 6th July 2011 that officers should develop a proposal for Poplar Baths and Dame Colet House for procurement and implementation. The decision was made to achieve the following:
- That the retained Poplar Baths be refurbished and remodelled, retaining the heritage features of the building
 - Provision of a minimum of a 100 additional new build homes adjacent to Poplar Baths and on the Dame Colet House sites
 - Provision of a new build youth facility on the existing Haileybury Centre site
- 3.2 Cabinet further agreed on 4th July 2012 that officers should proceed with their recommended shortlist of two bidders through final dialogue and invite final tenders.
- 3.3 This reports provide feedback on the ITSFT submissions, and the recommendation to proceed to conclusion of the tendering process and appointment of the preferred bidder as set out in the original OJEU notice.

4. ALTERNATIVE OPTIONS

- 4.1 The final business case attached in Part 2 details the alternate options assessment undertaken around delivery.

5. BACKGROUND

- 5.1 The Cabinet agreed on the 6th July 2011 that the Poplar Baths Project should proceed to procurement, working with private sector partners to

delivery the most cost effective option for the Council for the provision of refurbished/remodelled baths, additional home and a new build youth centre.

6. Main Body of the Report

Process to date

- 6.1 LBTH issued an OJEU Contract Notice (2011/S 194-316050) on 8th October 2011 via the London Tenders Portal. Further to the Cabinet decision of 4th July 2012 two parties were invited to participate in the final stage of dialogue.
- 6.2 The 2 parties were:

Bouygues UK consortium, and

Guildmore Ltd
- 6.3 The two selected bidders were invited to participate in a further period of Competitive Dialogue procurement process by attending Design & Technical and Legal and Financial meetings between the 17th July and 12th November 2012. The Design & Technical meetings comprised of the bidders presenting their designs as they evolved and the client and professional team providing feedback on these designs. The Legal and Financial meetings involved the bidder's clarification on lease terms and Development Agreement, the structure of their consortium and the structure of the proposed transaction.
- 6.4 Bidders were then invited to present their proposed schemes to the Council stakeholder departments and feedback was provided to each before close of dialogue.
- 6.5 Dialogue was formerly closed on Tuesday 13th November 2012 and final tenders were submitted on 30th November by both bidders.
- 6.6 The final tenders comprised of design submissions for the proposed schemes as well as financial offers and derogations against the proposed legal documents.
- 6.7 The schemes for the Baths site comprised the refurbished baths option approved at Cabinet in July 2011 but modified to allow for a full sized 25m pool on a 35 year leaseback basis. The housing scheme provided for a minimum of 60 socially rented housing units to the site behind the baths, again on the basis of a 35 year lease and lease back basis with the Borough's arm's length organisation, the ALMO managing the housing stock.
- 6.8 For the Dame Colet and Haileybury site the scheme required the delivery of a minimum of 40 socially rented housing units together with a new youth and community building. Again these were all on a 35 year leaseback basis.

- 6.9 Following receipt of submissions, the professional team reviewed the full documents and provided the Evaluation Panel with an indication of the recommended score (fail, low, acceptable, good and exemplar) for each section (commercial proposition, planning strategy, quality, mix of uses, local issues and management) of the Technical Evaluation.

Scoring

- 6.10 In accordance with the evaluation criteria set out in the invitation to submit final tenders the technical element for each scheme and each site was worth 40% of the overall marks with the financial element for each scheme and each site being worth 60% of the overall marks. The technical and financial scores were then added together to give an overall score for each site and these were then combined to give an overall score.
- 6.11 The Poplar Baths scheme would then be weighted at 70% and the Dame Colet scheme would then be weighted at 30%, to give an overall score for each bidder.

Evaluation

- 6.12 The Evaluation Panel comprised both senior council officers and external technical and legal advisors.
- 6.13 Following this evaluation process which was endorsed by the Project Board, it is recommended to proceed with the Bidder 1 – the highest scoring bidder as identified in the part 2 report.

Programme

- 6.14 Upon receipt of Cabinet approval officers will proceed with finalisation of contract documents to allow detailed design and planning applications to be made. The table below outlines the programme for these works; this has been approved by the selected bidder and will be monitored by the procurement team.

Activity	Start date	Completion Date
Cabinet selection of successful bidder	09/01/13	09/01/13
Alcatel period	09/01/13	19/01/13
Final clarifications	19/01/13	28/02/13
Contract close	28/02/13	28/02/13

Preparation and submission of planning permission	28/02/13	25/06/13
Planning	26/06/13	16/10/13
Financial Close	31/11/13	31/11/13
JR period	17/10/13	16/01/14

7. COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 7.1 This report updates Cabinet on the progress of the Poplar Baths and Dame Colet House schemes since 4th July 2012, and asks the Mayor in Cabinet to consider the recommendations of the procurement evaluation panel and approve a developer consortium to deliver the scheme.
- 7.2 To protect the Council's financial interest key aspects of the Chief Financial Officer's comments are set out in a separate report on Part II of the agenda.
- 7.3 The base scheme on which bidders have now submitted their final bids, has assumed key standard specifications, including the number of housing units to be provided, and that the whole development operate via a finance lease back of 35 years to the Council. A detailed financial appraisal has now been undertaken of each of the bids, together with a comprehensive financial review of each of the companies which make up the Special Purpose Vehicle (SPV). The SPV will develop and refurbish the properties and lease them back to the authority over a 35 year period. The SPV is responsible for running Poplar Baths leisure complex but the new dwellings are managed and internally maintained by Tower Hamlets Homes (THH). Under the Development Agreement, the annual lease payment becomes payable once the development period has ended.
- 7.4 Each of the four elements of the project will be financed through a finance lease. A finance lease is defined as an agreement where risks and rewards of ownership are substantially transferred to the lessee. The lease term is for the major part of the economic life of the asset and ownership of the asset transfers to the lessee at the end of the lease period. It is therefore clear, that as ownership of the asset transfers to the lessee at the end of the lease period, these leases can only be classified as a finance leases.
- 7.5 In accordance with accounting standard IAS 17 and the Prudential Code for Capital Finance in Local Authorities if the leases are classified as finance leases the assets and the liabilities have to be recognised in the Authority's balance sheet. The recognition of property plant & equipment will be matched by long term liabilities defined as credit arrangements. These credit arrangements will count in the calculation of the capital financing requirement. Adoption of a capital estimate is therefore required by the Mayor in Cabinet. The development costs, including internal clienting arrangements are likely to

be up to £36m, taking into account project financing risks (for example changes to rates on interest.) This will be split £20m capital estimate within the General Fund and £16m within the Housing Revenue Account.

- 7.6 Provision has been made in the Council's medium term financial strategy, as agreed by the Council in February 2012, for additional General Fund capital schemes valuing some £30million to be financed via prudential borrowing. The recommended GF element of the capital estimate is within those parameters.
- 7.7 The annual overall net revenue costs are estimated at between £1.6m - £1.8m, with approximately £1.25m of this attributable to the General Fund. This includes the annual cost of running the Poplar Baths facility, which for each bid is less than £100k per annum.
- 7.8 The affordable rents receivable on the housing development, over the period of the HRA business plan, will not be sufficient to repay the development financing costs. Indeed the annual gap will be up to £500k. Furthermore because this is a finance lease and deemed to be notional borrowing the housing developments will count against the Council's authorised debt cap under the HRA self-financing regulations. The HRA borrowing headroom will reduce by up to £16m. This will mean that the Council will reach its debt cap earlier than currently predicted in the 30 year business plan. To compensate for the loss of capital resources additional resources of between £400k and £500k per annum will need to be identified to supplement HRA reserves to deliver the long term capital investment needs of the existing housing stock. In total, therefore, full year savings of between £750 and £1,050k per annum are required from 2015/16 to deliver a balanced HRA business plan. Savings have been factored into the HRA Medium Term Financial Plan to offset these costs.
- 7.9 The housing element of the scheme could generate some £900k additional New Homes Bonus over the six year period following its completion, assuming no change to Government policy with regards to its allocations. That could be applied to partially offset the net cost of the scheme.
- 7.10 As outlined in the Risk Management Implications (paragraph 11.2), tenants will potentially maintain the right to buy the new rented properties. The Authority will be able to fully utilise any capital receipt but will receive reduced rental income while still being liable to make the full lease payment to the Special Purpose Vehicle over the period of the lease.

8. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES)

- 8.1 The Council has conducted the Procurement process for this contract using the Competitive Dialogue procedure in accordance with the Public Contracts Regulation 2006. This procedure is used in the case of particularly complex

contracts where contracting authorities consider that the use of the open or restricted procedure will not allow the award of the contract.

- 8.2 A contract is "particularly complex" when the Authority is not able to objectively define:
- the technical means capable of satisfying their needs or objectives and/or
 - the legal and/or financial make up of a project. This is broadly interpreted as contracting authority not be able to produce a single specification or legal/financial documents at the outset which would enable it to identify the best solution to meet its needs One of the purposes of the procurement process is to work with potential providers to identify which solution is best.
- 8.3 The Competitive Dialogue procedure was considered appropriate in this Case given that the Council is seeking to obtain not only the refurbishment of Poplar Baths to bring it back into public use but also the maximum number of new build homes and a new build youth facility on the Haileybury Centre site . The scope of OJEU notice was comprehensively drafted to enable the contracting authority to have discussions with bidders with the aim of identifying and defining the means best suited to meet the contracting authority's needs.
- 8.4 The Competitive Dialogue Process has produced contract proposals from the two remaining bidders.
- 8.5 This contract will be consistent with the Council's obligation as a best value authority under the Local Government Act 1999 to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 8.6 The council retains the freehold of the land and grants a licence to build to the developer and upon practical completion of the works the lease is granted. This ensures that title does not pass before the works are completed.

9. ONE TOWER HAMLETS CONSIDERATIONS

- 9.1 This project provides the improved opportunities for access to community leisure and youth facility along with affordable rented homes. A EIA has been undertaken and is attached to this report.

10. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 10.1 The schemes will comply with the Council's requirements on the reduction of carbon emissions, energy consumption along with green and sustainable construction delivery.

11. RISK MANAGEMENT IMPLICATIONS

- 11.1 The main risks that exist for the project are as follows:

A. The project over-runs its programme, incurring additional costs for the Authority, including bid costs

B. A lack of resources to maintain the programme

The above will be managed through strong project governance arrangements on the project, building on good practice on complex commercial negotiations undertaken by the borough over recent years.

11.2 Recent legal advice indicates that although the Authority is leasing the dwellings for the thirty-five year period, there is potential that tenants moving into the properties will maintain their ability to exercise the right to buy on these dwellings. The Authority will therefore continue to be liable for the lease rental payments to the Special Purpose Vehicle, but will no longer generate rental income. The capital receipts generated will be fully usable by the Authority, with resources recycled into the scheme.

11.3 There are a number of risks associated with the final tender recommendations; these are detailed in the part 2 report.

12. CRIME AND DISORDER REDUCTION IMPLICATIONS

12.1 The project will provide homes that are of a better design in terms of orientation to maximise passive supervision of common and external areas, with safe pedestrian routes to and from the homes. The community leisure and youth facilities will promote positive activities for young people to engage with.

13. EFFICIENCY STATEMENT

Provision of additional new homes will contribute to the Councils Overcrowding Strategy, through rehousing those tenants most in need. The homes, along with the refurbished properties and the Youth Centre will be built to sustainable design standards, therefore reducing the financial impact for residents and users. The procurement process will identify the most efficient means of delivering this key Mayoral priority.

**Local Government Act, 1972 Section 100D (As amended)
List of “Background Papers” used in the preparation of this report**

Brief description of “background papers”

Name and telephone number of holder
and address where open to inspection.

Cabinet Report 6 July 2011

Cabinet Report 14th March 2010

Ann Sutcliffe

Service Head, Strategic Property &
Capital Delivery

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CABINET, 09/01/2013

SECTION **Section One & Two**
Aman Dalvi
Corporate Director
Development & Renewal,
2nd Floor,
Mulberry Place

LONDON BOROUGH OF TOWER HAMLE
RECORD OF THE DECISIONS OF THE CAE

HELD AT 5.34 P.M. ON WEDNESDAY, 9 JANUA

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

Members Present:

Mayor Lutfur Rahman	
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)

Other Councillors Present:

Councillor Kabir Ahmed	(Executive Advisor to the Mayor and Cabinet)
Councillor Stephanie Eaton	
Councillor Marc Francis	
Councillor Carlo Gibbs	
Councillor Peter Golds	(Leader of the Conservative Group)
Councillor Md. Maium Miah	(Advisor to the Mayor and Cabinet on Third Sector and Community Engagement)
Councillor Ann Jackson	(Chair, Overview & Scrutiny Committee)
Councillor Gulam Robbani	

Officers Present:

Stephen Adams	- (Finance and Resources Manager, Communities Localities & Culture)
Katherine Ball	- (Senior Accountant, Development & Renewal)
Sarah Barr	- (Senior Strategy Policy and Performance Officer, One Tower Hamlets, Chief Executive's)
Robin Beattie	- (Service Head, Strategy & Resources & Olympic Impact, Communities Localities & Culture)
Anne Canning	- (Service Head Learning & Achievement, Children's Services)

Isobel Cattermole	- (Acting Corporate Director, Children, Schools & Families and Adult Health and Wellbeing)
Deborah Cohen	- (Service Head, Commissioning and Strategy, Adults Health and Wellbeing)
John Coker	- (Strategic Housing Manager, Development & Renewal)
Aman Dalvi	- (Corporate Director, Development & Renewal)
Emily Fieran-Reed	- (Head of Community Safety Partnership, Domestic Violence & Hate Crime)
Isabella Freeman	- (Assistant Chief Executive - Legal Services, Chief Executive's)
Stephen Halsey	- (Corporate Director Communities, Localities & Culture and Interim Head of Paid Service)
Chris Holme	- (Service Head Resources, Development & Renewal)
Numan Hussain	- (Political Advisor to the Mayor, Executive Mayor's Office, Chief Executive's)
Ellie Kuper-Thomas	- (Strategy, Policy and Performance Officer - Executive Mayor's Office, One Tower Hamlets, Chief Executive's)
Paul Leeson	- (Finance Manager, Development & Renewal)
Andy Mace	- (Development Manager, Major Project Development, Development & Renewal)
Jackie Odunoye	- (Head of Strategy, Innovation & Sustainability, Development & Renewal)
Takki Sulaiman	- (Service Head Communications, Chief Executive's)
Ann Sutcliffe	- (Service Head Strategic Property, Development and Renewal)
Claire Symonds	- (Service Head, Customer Access and ICT)
Chris Lovitt	- (Associate Director of Public Health)
Helen Mitchell	- (HRA Accountant)

The following is a record of those decisions taken by the Cabinet at their meeting held on Wednesday 9 January 2013.

Most decisions may be 'called in', by the Assistant Chief Executive, for scrutiny by the Overview and Scrutiny Committee to be held on **Tuesday 5 February 2013** on receipt of a written request.

The **deadline** for the receipt of any such written request is **5.00pm on Friday 18 January 2013**. Such requests should be made to John Williams, Service Head Democratic Services-Tel 020 7364 4204.

The request to "call in" a decision must comply with the requirements set out in the Council's Constitution (Part 4 – Rules of Procedure, Section 4.5 – Overview and Scrutiny Procedure Rules, Rules 16.2 and 16.3). This sets out the time-scale for "call in", those persons who may "call in" and those details the request must contain.

The Council's Constitution (Part 4 – Rules of Procedure, Section 4.5 – Overview and Scrutiny Procedure Rules, Rule 16.4) **sets out those decisions that may not be “called in”** for further consideration by the Overview and Scrutiny Committee.

Report authors will be advised by Democratic Services if any decision in respect of an item they have placed on the agenda has been “called in”.

Any decision not “called in” for scrutiny can be implemented on Monday 21 January 2013.

Any decision ‘called in’ for scrutiny but supported by the Overview and Scrutiny Committee, at its meeting on Tuesday 5 February 2013, can be implemented the following day, Wednesday 6 February 2013.

Any decision ‘called in’ for scrutiny but not supported by the Overview and Scrutiny Committee, at its meeting on Tuesday 5 February 2013, will be referred back to the Mayor in Cabinet for further consideration on Wednesday 6 February 2013.

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)

Action by:

ASSISTANT CHIEF EXECUTIVE – LEGAL SERVICES (I. FREEMAN)
(Committee Services Manager, Democratic Services, Chief Executive's (M. Mannion))

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS

No pecuniary interests were declared however Councillor Shafiqul Haque noted in relation to Item 6.1 that he was a leaseholder but that it was not a Pecuniary Interest and so he would take part in the discussion of that item.

3. UNRESTRICTED MINUTES

The unrestricted minutes of the ordinary meeting of the Cabinet held on 5 December 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

Decision

Pre-decision scrutiny questions on Agenda Items 6.3 (Disposals Programme), 71 (Future Commissioning Arrangements and 8.1 (Bonner Primary School) were **Tabled** and noted.

Reasons for the decision

Alternative options

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

Nil items.

6. A GREAT PLACE TO LIVE

6.1 Payment Support Options to Leaseholders for Repayment of Decent Homes/Major Works Recharges

Decision

1. To adopt the Payment options detailed at Appendix 1
2. To authorise the Corporate Director Development and Renewal in consultation with Assistant Chief Executive (Legal), to enter into all necessary documents to implement the decisions made in respect of this report.

Action by:

CORPORATE DIRECTOR DEVELOPMENT AND RENEWAL (A. DALVI)

(Service Head Housing, Strategy and Regeneration (J. Odunoye)

(Housing Partnerships Manager (J. Kiwanuka)

(Leasehold Manager (B. Whiteside)

Reasons for the decision

Offering a discount for early payment encourages leaseholders, where possible to settle their charges quickly. Non- resident and resident leaseholders will be given an opportunity to benefit from the discount for a timely payment. It is envisaged that this approach will lead to improved cash-flows and lower recovery costs. This outcome is particularly important as it would reduce the risk of a funding shortfall for the Decent Homes programme which is partly dependant on income from leaseholders.

The current policy, offers interest-free periods to all non-resident leaseholders, exposes the council to a potential risk of losing up to £7.9 million as evidenced in the financial impact assessment [Appendix 2](#). Restricting interest-free periods to those who need them mitigates the risk. The restriction is equitable and justifiable as the converse would amount to subsidising leaseholders' businesses.

Interest-free payments can legitimately be offered to resident leaseholders to assist in collecting the charges in the shortest time possible from leaseholders where they are unable to pay the full cost quickly. This can be done in the interest of the Council and the tax payers generally under the general power of competence to minimise the risk of debt recovery and possible write-off.

The current interest rate for extended payment options longer than the initial 3 years is 8.895%. The 8.895% interest was based on the cost to the council of borrowing several years ago which has changed significantly. The proposed new rate of 5.34% is 0.5% above the current cost of borrowing, the 0.5% designed to cover the management of the debt during the repayment period. Offering this rate of interest will be cost neutral to the Council but will assist those leaseholders facing financial difficulties.

Alternative options

No early payment discount – Not offering this option may result in income being received over a longer period with a consequence of increasing the likelihood for bad debt, and damaging relationship between Council & leaseholders, particularly through debt management and recovery actions. The early payment discounts are intended to help raise the much needed income quickly to fund the decent homes programme. This also offers non-resident leaseholders a financial incentive to pay the charges without delay.

Continuing to offer every leaseholder deferred payment - This option would put the council in the position where it was effectively subsidising businesses from the public purse which shouldn't be the case..

Offering repayment terms over more than five years – some Registered Providers offer loans in the form of a mortgage secured on the property. However, adopting this option would result in the council having a mortgage portfolio to manage, a position it is currently trying to run down. The option also has the effect of the Council building long term indebtedness to

leaseholders especially as further works may well be undertaken before the loan for the decent homes works is repaid.

Longer repayment periods - Extending repayment over long periods whilst may be seen as being beneficial to leaseholders the converse may be true. Particularly, as it is likely that over a 10 year repayment period the landlord will have to undertake further work either through additional repairs or planned maintenance programmes which will result in further bills for the leaseholder. Effectively, this approach will have the implication of building indebtedness rather than assisting leaseholders in the long run.

Provision of discretionary loans – Some Local Authorities (LAs) and other Registered Providers (RPs) offer long term loans through mortgages at local authority mortgage rates and subject to equity in the property. However, this option would be challenging to adopt because to act as a lender on such a scale, the Council would have to fund the loans from its capital resources. The resultant mortgage portfolio would also need managing with future resource implications for managing such a service. Consequently, the Council would need to exercise extreme care not to contravene the Financial Services Authority regulations on financial advice and may have to apply for a Consumer Credit Licence.

6.2 Procurement of Decent Homes Contractors and Consultants Years 3 4 and 5

Decision

1. To authorise the Mayor to award the DH works contracts to the contractors and consultants listed in 2.1.1 – 2.1.3 once the results of the leaseholder consultation have been considered,
 - 1.1 Lot 1 Contractors (**Internal Works only**)
 - **Chigwell (Shepherds Bush) Ltd**
 - **RR Richardson LTD**
 - 1.2 Lot 2 Contractors (**Internal and External Works**)
 - **Apollo Property Services Group LTD**
 - **Axis Europe PLC and**
 - **Breyer Group PLC**
 - 1.3 Lot 2 Consultants (**Internal and External Works**) **Framework of 6 consultants with the first 3 administering the 2013/14 DH works programme annual mini competition thereafter:**
 - **Mace Group**
 - **John Rowan and Partners LLP**
 - **Pellings LLP**
 - **Frankham Consultancy Group Limited**
 - **Bailey Garner LLP**
 - **Potter Raper Partnerships**
2. To authorise the Assistant Chief Executive (Legal), to enter into all necessary documents to implement the decisions made in respect of this report.

3. To adopt an initial capital estimate of £71 million in respect of the 2013/14 and 2014/15 DH Programme, profiled as 2013/14: £25million and 2014/15: £46 million, in order to enter into the contracts. The details of the programme of works will be subject to a separate report.

Action by:**CORPORATE DIRECTOR DEVELOPMENT AND RENEWAL (A. DALVI)**

(Service Head Housing, Strategy and Regeneration (J. Odunoye)

(Housing Partnerships Manager (J. Kiwanuka)

(Decent Homes Procurement Project Manager THH (J. Mack)

Reasons for the decision

Cabinet in June 2011 agreed, for the longer term planning, to secure an OJEU procured and leasehold compliant framework to deliver the capital investment need in the future.

In July 2012 the Council entered into contract with the GLA for the DH Backlog funding. Under the Agreement the Council is contracted to deliver pre-agreed annual targets of DH in order to access the DH Backlog funding. The DH Contractor and Consultant procurement is critical to delivering the DH targets and securing the GLA funding. Therefore, it is vital that contractors are appointed to allow adequate time for procured resources to bed in and mobilise for a start on site at the beginning of the next Financial Year.

Additionally, the Council aims to ensure that its localism agenda is enshrined in its contracting processes by according apprenticeships and utilising local contractors and labour with view to stimulate the local economy. The OJEU procured Contractors have offered to contractually agree to deliver a raft of local benefits including apprenticeships, local labour and use local contractors, which will help stimulate the local economy, and allow local people to acquire relevant skills to enter employment.

Alternative options

Cabinet in June and September 2011 considered and agreed the method of procuring capital investment for the delivery of the DH Programme in 2013-16. It was agreed by Cabinet that for the longer term planning, to secure an OJEU procured and leasehold compliant framework to deliver the capital investment need in the future. The procurement method and process adopted including the results of the procurement exercise detailed within this report are an implementation of the fore mentioned Cabinet decisions.

6.3 Disposals Programme**Decision**

1. To note the contents of this report:
2. To agree to the disposal of part of Southern Grove;

3. To authorise officers to secure a planning brief for site at part of Southern Grove;
4. Following consultation with the Mayor and Lead Member for Resources, authorise the Director of Development and Renewal, in conjunction with the Assistant Chief Executive Legal Services, to accept the best tender return for the site on conclusion of the marketing exercise; and ,
5. To authorise officers to appoint external agents to support the marketing of the site.

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

(Service Head – Strategic Property and Capital Delivery (A. Sutcliffe))

Reasons for the decision

It is important at a time of reducing funding and budgets in the public sector, to ensure that efficiencies are driven through the running and/or disposals of our assets to reduce revenue costs.

To continue to review and rationalise council assets, to reduce the Councils operational portfolio to the minimum.

That the site disposal will generate for the council significant capital receipts, for which can be directed to the Mayor's priorities on housing, education and infrastructure projects.

The development of the site will also, alongside the generation of a capital receipt, will bring forward social and affordable housing along with the potential for other community facilities.

Alternative options

The council has considered the option of developing the site directly, but the funding to deliver this as an option is not available.

6.4 Poplar Baths and Dame Colet House - Tender results report and recommendation**Decision**

1. To note this report and that there is a further report to be considered in the Part II Exempt section of the meeting.

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

(Service Head – Strategic Property and Capital Delivery (A. Sutcliffe))

Reasons for the decision

Cabinet agreed on 6th July 2011 that officers should develop a proposal for Poplar Baths and Dame Colet House for procurement and implementation. The decision was made to achieve the following:

- That the retained Poplar Baths be refurbished and remodelled, retaining the heritage features of the building
- Provision of a minimum of a 100 additional new build homes adjacent to Poplar Baths and on the Dame Colet House sites
- Provision of a new build youth facility on the existing Haileybury Centre site

Cabinet further agreed on 4th July 2012 that officers should proceed with their recommended shortlist of two bidders through final dialogue and invite final tenders.

This report provides feedback on the ITSFT submissions, and the recommendation to proceed to conclusion of the tendering process and appointment of the preferred bidder as set out in the original OJEU notice.

Alternative options

The final business case attached in the Part 2 Exempt Report details the alternate options assessment undertaken around delivery.

7. A PROSPEROUS COMMUNITY

7.1 Future Commissioning Arrangements for Public Health Services

Decision

- 1 To approve the commencement of competitive tender processes for the following contracts:
 - (See section 1a of the spread sheet appended to the report); (Please note contracts will not be awarded if insufficient funding is allocated by the DoH and the matter will be brought back to the Mayor)
2. To approve the extension, for up to 12 months, and subsequent procurement during 2013/14, of the following contracts:
 - (See section 1b of the spread sheet appended to the report)
3. To approve the procurement, during 2013/14 of the following contracts scheduled to expire on 31 March 2014:
 - (See section 1c of the spread sheet appended to the report);

4. To note the contracts currently held by the NHS where the services are already provided by the Council. These will become directly provided services from 01 April 2013, and therefore no further commissioning is required:
 - (See section 1d of the spread sheet appended to the report);
5. To note the contracts which the NHS will not maintain beyond 31 March 2013 and will be decommissioned by the PCT. Therefore no commissioning activity is required by the Council:
 - (See section 1e of the spread sheet appended to the report);
6. To approve the transfer of responsibility to the Council for the elements of the current contracts with Barts Health NHS Trust and the East London Foundation Trust (ELFT) which pertain to services delivered to residents of Tower Hamlets and note that the Barts contract expires on 31 March 2014 and the ELFT contract on 30th June 2014. The services currently provided to Tower Hamlets residents under these contracts are:
 - (See section 2a of the spread sheet appended to the report);
7. To note the intention to work with the Tower Hamlets Clinical Commissioning Group, neighbouring Councils and their respective Clinical Commissioning Groups who have an interest in the contracts with the Barts Health NHS Trust during 2013/14 to determine longer term commissioning arrangements which balance local flexibility and priorities with a prudent approach to risk sharing;
8. To delegate authority to the Corporate Director responsible for the functions being exercised in the contracts in accordance with the Council's constitution in consultation with the Cabinet Member for Health and Wellbeing and Assistant Chief Executive (Legal Services), and subject to final approval by the Mayor, to enter into various agreements to give effect to the recommendations detailed above and also to enter an agreement with the Tower Hamlets Clinical Commissioning Group for the management of contractual arrangements with GPs and Pharmacists currently delivered under NHS Local Enhanced Services arrangements or direct employment contracts with the NHS, for the period 1 April 2013 to 31 March 2014. This is subject always to establishing adequate funding and satisfactory terms that protect the Council and deliver local objectives and or other appropriate providers. In particular the services currently provided to Tower Hamlets residents under these Local Enhanced Services arrangements are:
 - (See sections 2c and 2e of the spread sheet appended to the report);
9. To approve the proposed joint commissioning arrangements for the commissioning of sexual health services with the Commissioning Support Unit (who will commission health services on behalf of the Tower Hamlets Clinical Commissioning Group) acting as lead commissioner. The services currently provided to Tower Hamlets residents that fall within the remit of the proposed joint commissioning arrangements are:
 - (See sections 2b and 2d of the spread sheet appended to the report)
10. To delegate authority to the Corporate Director responsible for the functions being exercised in the contracts in consultation with the Cabinet Member for Health and Wellbeing and other relevant Lead Member(s) and chief officer(s), and the Assistant Chief Executive (Legal Services), and subject to final approval by the Mayor, to

approve the award of contracts to the most economically advantageous tenderers following the completion of the procurement processes referred to in recommendations 2, 3 and 4 above subject always to the establishment of appropriate terms and appropriate measures to safeguard local priorities.

11. To delegate authority to the Corporate Director responsible for the functions being exercised in the contracts to undertake and to enter into all appropriate arrangements relating to Equality Impact Assessments and consideration of the Public Sector Equality Duty in accordance with the Equality Act 2010 prior to any decisions being taken on commissioning or de-commissioning of services .

Action by:

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

(Service Head: Commissioning and Strategy (D. Cohen)

Reasons for the decision

To ensure continuity of provision for public health services delivered under contracts which the Council will become responsible for, as a consequence of the enactment of the Health and Social Care Act 2012, from 01 April 2013 and which contribute to maintaining and improving the health of the population of Tower Hamlets.

The Council's Constitution, and the scheme of delegation to officers contained therein, do not currently incorporate the public health functions that will transfer to the Council from 01 April 2013. Up until the transfer date it is necessary, therefore, to seek Cabinet approval for all of the contracts relating to the discharge of those functions irrespective of value.

There are a number of drug / alcohol contracts (set out in section 1.b of the appended spread sheet) which are currently scheduled to expire on 31 March 2013. In order to provide sufficient time to plan a redesign of the treatment pathway for drug and alcohol services, to revise service specifications to reflect the planned redesign, and to undertake competitive procurement processes existing services will need to be maintained for a period of up to twelve months from the current expiry date.

Alternative options

The Mayor in Cabinet could require officers to consider alternative approaches to, or timescales for, the procurement plans set out in this report. This option is not recommended as it would lead to delays in the award of new contracts that may lead to discontinuity of service delivery.

The Mayor in Cabinet could instruct that specific contracts not be reproced. It should be noted, however, that officers have worked closely with public health colleagues, over an extended period of time, to determine the benefits for health and wellbeing in the population of the borough of each of the

services that it is recommended here be reprocured. For this reason this alternative option is not recommended.

The Mayor in Cabinet could instruct that specific contracts, and / or contracts above a particular value are brought back to Cabinet for the contract award decision to be made, in preference to delegating authority to award those contracts to officers. However care needs to be taken to ensure delay in award does not impact on service delivery

The Mayor in Cabinet could choose not to extend the contracts managed by the Drug and Alcohol Action Team and instruct that notices of termination be issued to existing providers. This alternative option is not recommended as it would leave a particularly vulnerable group of residents of the borough at risk of significant deterioration in their health and wellbeing, and of increasing levels of crime.

8. A SAFE AND COHESIVE COMMUNITY

8.1 Bonner Primary School - Proposed Extension

Decision

1. To note the contents of this report;
2. To agree that statutory proposals should be published for the enlargement of Bonner Primary School to admit 120 pupils in each year from September 2013.
3. To authorise the Acting Corporate Director Children Schools and Families, after consulting with the Mayor, Cabinet Member for Children's Services and the Assistant Chief Executive (Legal Services), to negotiate and agree such terms (including, in either case, the payment of appropriate financial compensation), as will enable the proposed extension to Bonner Primary School either to share the PDC with the University until 2018, or for the University to vacate those parts of the PDC which it occupies and move into alternative premises.
4. To authorise the Acting Corporate Director Children Schools and Families, after consulting with the Mayor, Cabinet Member for Children's Services and the Assistant Chief Executive (Legal Services) to negotiate and agree with the University such terms for the University's continued occupation of the PDC as will enable the University to continue to enjoy its current use of the PDC in a manner which is consonant with the University's reasonable expectations including (without prejudice to the generality of the foregoing), teaching both undergraduate and post-graduate students in an environment not inimical to academic study.

5. To authorise the Acting Corporate Director Children Schools and Families after consulting with the Mayor, Cabinet Member for Children's Services and the Assistant Chief Executive (Legal Services) to take such steps as are necessary in the planning and design process to ensure that the Council is enabled fully to comply with its legal obligations relating to the safeguarding of children.

Action by:

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

(Head of Building Development (P. Watson))

Reasons for the decision

Proposals have been developed to expand Bonner Primary School to assist in the LA's programme to provide primary school places to meet growing local need. Initial consultation on the proposals has been held. Cabinet is asked to consider the proposed expansion, the response to the initial consultation and the recommendation that statutory proposals for the expansion should be published. The publication of statutory proposals is required in order to implement this change to the school.

Although decisions were taken on the PDC in September of this year, by the Mayor in Cabinet, the University has since issued court proceedings against the Council, seeking judicial review of those decisions and alleging that they were invalid.

Without making any concessions as to whether there is any basis for the legal proceedings, it is considered sensible that the decisions should be considered afresh and that explicit consideration should be given to the University's concerns.

Alternative options

In order to meet the rising need for school places, the Council has implemented a number of school expansion projects and continues to develop further schemes to meet need. Longer term development plans for the borough include proposals for new primary schools. However, further expansion proposals are needed to keep pace with the need, so taking no action would leave the Council at risk of being unable to discharge its statutory functions. The options for expansion have been considered having regard to the factors set out in paragraphs 6.6 to 6.24 of the report.

9. A HEALTHY AND SUPPORTIVE COMMUNITY

9.1 Violence Against Women and Girls Plan

Decision

1. To agree the Violence Against Women and Girls Plan as set out in Appendix 1.
2. To consider the equality analysis in Appendix 2.
3. To note that the Violence Against Women and Girls Plan has been prepared with the Council's major partners to be the appropriate detailed service and partnership framework for addressing all forms of violence against women and girls within the Borough.

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

(Head of Community Safety (E. Fieran-Reed)

(Domestic Violence & Hate Crime Manager (S Narayan)

Reasons for the decision

Addressing violence against women & girls is already recognised as a priority area regionally, nationally & internationally. The UN declaration on the Elimination of Violence Against Women was adopted by the General Assembly in 1993. This was followed by a resolution of intensification of efforts to eliminate all forms of violence against women in 2009.

In 2010, the Mayor of London published 'The Way Forward', a London-wide plan aimed to end all forms of violence against women in the capital. In 2011 the coalition government published its 'Call to end violence against women & girls' which outlines the responsibility of local authorities to co-ordinate their response to VAWG issues.

The Mayor of Tower Hamlets has been proactive in supporting work in this area and it forms part of the Mayors priority to drive down violent crime in the Borough. Tower Hamlets VAWG Plan takes a pro-active partnership approach to addressing this problem and makes a strong statement about the Council's commitment to safeguarding adults & children & pursuing gender equality.

Alternative options

Do not have a VAWG Plan. This would result in fragmented service planning between partners, duplication, lack of focus and inefficient use of scarce resources by all of the key partners engaged in reducing violence against women and girls.

Do not agree this plan but ask for a different plan with different priorities. This plan has been prepared in close consultation with all of the Council's major partners engaged in reducing violence against women and girls. As such it represents a shared platform of joint priorities that best reflect the way to maximise cross sector and organisation impact. The Plan has been based on established Council priorities to date and such a decision would cause significant delay to the process of joint planning and the achievement of more effective outputs for the Women and Girls at risk in the Borough.

10. ONE TOWER HAMLETS

10.1 Housing Revenue Account First Budget and Rent Setting Report - 2013/14

Decision

1. To agree that the Authority will continue to follow rent restructuring guidelines, and that therefore, the average 2013/14 weekly rent increase for tenanted Council dwellings will be £4.39 and the average weekly tenanted service charge increase will be £0.25 from the first rent week in April 2013.
2. To note that the HRA budget will be presented to Cabinet for approval in February 2013.

Action by:

CORPORATE DIRECTOR DEVELOPMENT AND RENEWAL (A. DALVI)

(Service Head - Resources (C. Holme)

(Finance Manager (P. Leeson)

(Senior Accountant, D&R (K. Ball)

Reasons for the decision

The Council must prepare proposals in January and February each year relating to income from rents and other charges, and expenditure in relation to management and maintenance of its housing stock. A decision is required with regard to rents and service charges in January in order that statutory notice can be given to tenants prior to 1st April implementation.

Alternative options

The Council is not obliged to follow national rent policy, but any rent increase below that assumed in the business plan would put at risk the Council's ability to fund the future capital programme. Mayor and Cabinet can determine to increase rents either above or below that recommended; the financial consequences of either decision are set out in section 9 of this report.

10.2 Council Tax Base Report

Decision

1. To consider and agree that:
 - in relation to second homes, furnished empty properties, properties undergoing refurbishment, and new properties, the Council can charge up to 100% of the full Council Tax payable;

- for properties empty for more than 2 years, a levy of 1.5 times the full Council Tax payable be charged; and
 - agree the policy on “Section 13a Council Tax Reductions”
2. To approve, in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992, that the amount calculated by the London Borough of Tower Hamlets as its Council Tax Base for the year 2013/14 shall be 71,531 including the technical changes.

Action by:**SECTION 151 OFFICER, SERVICE HEAD – FINANCIAL SERVICES, RISK & ACCOUNTABILITY (A. FINCH)**

(Head of Revenue Services (R. Jones))

Reasons for the decision

To provide a simplified Council Tax policy and promote occupation of empty properties

The scheme for calculation of council tax established under the Local Government Finance Act 1992 requires local authorities to agree their Council Tax Base and to notify it to the preceptors (GLA) by 31st January 2013.

If the tax base is not agreed and notified to the Preceptor by 31st January 2013, this may prejudice the calculation of Council Tax for 2013/14.

Alternative options

The Council is obliged to consider the Government’s technical reforms and agree its response to them.

The recommendations contained within this report are made in line with the statutory requirements outlined in sections 3.2 and 3.3 of this report; and the alternative options in setting its Council Tax Base.

10.3 General Fund Capital and Revenue Budgets and Medium Term Financial Plan 2013/14-2015-16**Decision**

1. To agree to propose the items listed below for public consultation and consideration by the Overview & Scrutiny Committee in accordance with the Budget and Policy Framework (Section 15). A further report will then be submitted to the next Cabinet meeting in February detailing the results of consultations and inviting the Cabinet to recommend a budget Requirement and Council Tax for 2013-14 to Full Council.

a. Funding

The funding available for 2013-14 and the indications and forecasts for future years (section 8) and note the introduction of the new local government funding system (Appendix 2).

b. Base Budget 2013-14

The Base Budget for 2013-14 as £293.865m as detailed in Appendix 2.

c. Growth and Inflation

The risks identified from potential inflation and committed growth arising in 2013-14 and future years and as set out in Section 9 and in Appendix 3.

d. General Fund Revenue Budget and Medium Term Financial Plan 2013-14 to 2015-16

The initial budget proposal and Council Tax for 2013-14 together with the Medium Term Financial Plan set out in Appendix 1 and the savings targets arising.

e. Savings

Savings items proposed to be included in budgets for 2013-14 and future years set out in Section 10 and in Appendices 4 and 5.

f. Capital Programme

The capital programme to 2014-15, including the proposed revisions to the current programme as set out in section 14 and detailed in Appendix 9.

g. Dedicated Schools Grant

The position with regard to Dedicated Schools Grant as set out in section 12 and Appendix 7.

h. Housing Revenue Account

The position with regard to the Housing Revenue Account as set out in section 13 and Appendix 8.

i. Financial Risks: Reserves and Contingencies

Advice on strategic budget risks and opportunities as set out in section 11 and Appendices 6.1, 6.2 and 6.3.

j. Reserves and Balances

The position in relation to reserves as set out in the report and further detailed in Appendices 6.1 and 6.3, and officers' advice on the strategy for general reserves at 8.40.

Action by:

SECTION 151 OFFICER, SERVICE HEAD – FINANCIAL SERVICES, RISK & ACCOUNTABILITY (A. FINCH)

Reasons for the decision

The Council is under an obligation to set a balanced budget for the forthcoming year and to set a Council Tax for the next financial year by 7th March 2013. The setting of the budget is a decision reserved for Council. The Council's Budget and Policy Framework requires that a draft budget is issued for consultation with the Overview & Scrutiny Committee at this meeting to allow for due process.

The announcements that have been made about Government funding for the authority require a robust and timely response to enable a balanced budget to be set.

Alternative options

The authority is bound to respond to the cuts to Government funding of local authorities and to set an affordable Council Tax and a balanced budget, while meeting its duties to provide local services. This limits the options available to Members. Nevertheless, the authority can determine its priorities in terms of the services it seeks to preserve and protect where possible, and to a limited extent the services it aims to improve further, during the period of cuts.

10.4 London Borough of Tower Hamlets Council Tax Support Scheme

Decision

1. To agree the proposed Council Tax Support scheme as the replacement to Council Tax Benefit from April 2013. (The draft scheme is published on the Council's website)
2. To note the results of the public consultation on the Council Tax Support scheme.
3. To note that the scheme will need to be agreed by full Council.
4. To note that adoption of the scheme will enable the council to apply for part of a £100m DCLG transition grant.

Action by:

SECTION 151 OFFICER, SERVICE HEAD – FINANCIAL SERVICES, RISK & ACCOUNTABILITY (A. FINCH)

(Claire Symonds – (Service Head Customer Access & ICT)
(Steve Hill – (Head of Benefits Services)

Reasons for the decision

The Council is obliged to agree a local Council Tax Support scheme to replace the national Council Tax Benefit Scheme which will be abolished in April 2013. Since Cabinet's decision on the 25th July, the Council Tax Support scheme for Tower Hamlets has been designed and developed, and consultation in accordance with the requirements currently indicated in the Local Government Finance Bill 2010-2012 has taken place. This report updates Members on the progress made and sets out the decisions that are now required.

The local Council Tax Support scheme needs to be submitted to DCLG by 31st January 2013.

Alternative options

The Council is required by law to put in place a council tax reduction scheme by 31 January 2013. If it does not do so, then the Government's default scheme will apply in Tower Hamlets. The default scheme is set out in the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 and is publicly available.

The Council has limited discretion as to the contents of its council tax reduction scheme, as the scheme must contain the matters required by the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012. The chief area of discretion relates to non-pensioners, in respect of whom a means-based approach is proposed as set out in the report.

It is also proposed, for reasons set out in the report, that the scheme is framed so as to permit the Council not to pass on the Government's 10% reduction in funding.

An alternative approach would be possible, but may require further consultation and analysis.

10.5 Contracts Forward Plan Q3

Decision

1. To consider the contract summary at Appendix 1, and identify those contracts about which specific reports – relating either to contracting strategy or to contract award – should be brought before Cabinet prior to contract award by the appropriate Chief Officer for the service area;

2. To authorise the relevant Corporate Director who holds the budget for the service area to award the contract or contracts following consultation with the Assistant Chief Executive (Legal Services) on the relevant terms and conditions of contract with the exception of the Domiciliary Care Framework Contract (AHWB 4396) which was deferred; and
3. To authorise the Assistant Chief Executive (Legal Services) to execute all necessary contract documents in respect of the awards of contracts referred to at recommendation 2 above.

Reasons for the decision

The Council's Procurement Procedures require submission of a quarterly forward plan of contracts for Cabinet consideration, and it is a requirement of the Constitution that "The contracting strategy and/or award of any contract for goods or services with an estimated value exceeding £250,000, and any contract for capital works with an estimated value exceeding £5,000,000, shall be approved by the Cabinet in accordance with the Procurement Procedures". This report fulfils these requirements for contracts to be let during the period Q4 of the Financial Year and beyond.

Alternative options

As bringing a consolidated report on contracting activity is considered the most efficient way of meeting the requirement in the Constitution, whilst providing full visibility of contracting activity, no alternative proposals are being made.

10.6 Procurement Plan**Decision**

1. To note the Procurement Policy Priorities.

Reasons for the decision

The way the Council sets about procuring works, goods and services is important to achieving compliance with legislation, delivering and demonstrating value for money and delivering its policy priorities.

Alternative options

The approach of public sector organisations to procurement is primarily governed by UK and EU law and the need to find substantial savings over the forthcoming period. Within that, the authority can set its own priorities in relation to the lawful objectives it sets out to achieve through its procurement processes.

11. ANY OTHER UNRESTRICTED BUSINESS CONSIDERED TO BE URGENT**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.

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 16.1. "Poplar Baths and Dame Colet House – Tender results report and recommendation" 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 16.1. "Poplar Baths and Dame Colet House – Tender results report and recommendation" 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

Nil items.

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

16.1 Poplar Baths and Dame Colet House - Tender results report and recommendation

Decision

1. To agree to the recommendation of the procurement evaluation panel to appoint bidder 1 as preferred bidder;
2. To authorise officers to proceed with the final stage of procurement in finalising the Development Agreement;
3. In consultation with the Mayor and the Cabinet Members for Housing and Resources, to nominate Bidder 2 as a reserve and to call upon this reserve Bidder if finalisation of the Development Agreement with the preferred bidder does not proceed as authorised;
4. To authorise the Director of Community Localities and Culture and the Assistant Chief Executive Legal in conjunction to finalise the Development Agreement terms in accordance with the bid and following consultation with the Mayor and the Lead Member for Resources to complete the Development Agreement and ancillary documents;
5. To adopt a capital estimate to the value of £36m for the development of the Poplar Baths and Dame Colet sites in order to make provision for the eventuality of the reserve bidder being required; and
6. To confirm that funding requirements as outlined in the Part 2 report will be available to meet the potential Development Agreement costs subject to entering into the Development Agreement.

Action by:

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

(Service Head – Strategic Property and Capital Delivery (A. Sutcliffe))

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 7.25 p.m.

Isabella Freeman
ASSISTANT CHIEF EXECUTIVE (Legal Services)

Agenda Item 8.2

Committee: Overview and Scrutiny	Date: 5 November 2013	Classification: Unrestricted	Report No:	Agenda Item:
Report of: Assistant Chief Executive (Legal Services) Originating officer(s) David Galpin, Head of Legal Services - Community		Title: Covert investigation under the Regulation of Investigatory Powers Act 2000 Wards Affected: All		

1. SUMMARY

- 1.1. The codes of practice issued by the Home Office in relation to Part 2 of the Regulation of Investigatory Powers Act 2000 ("RIPA") recommend that elected members have oversight of the Council's use of these provisions. The Standards Committee's terms of reference enable the committee to receive reports on the Council's authorisation of covert investigations under RIPA.

2. DECISIONS REQUIRED

Overview and Scrutiny Committee is recommended to:-

- 2.1. Consider and comment upon the information provided in the report.

3. BACKGROUND

3.1. Covert investigation and RIPA

- 3.2. The Council has broad statutory functions and takes targeted enforcement action in relation to those functions, having regard to the Tower Hamlets Community Plan, the Council's Local Development Framework, any external targets or requirements imposed under relevant legislation and the Council's enforcement policy. There may be circumstances in the discharge of its statutory functions in which it is necessary for the Council to conduct directed surveillance or use a covert human intelligence source for the purpose of preventing crime or disorder.

- 3.3. RIPA was enacted to provide a framework within which a public authority may use covert investigation for the purpose of preventing or detecting crime or of preventing disorder. It is designed to ensure that public authorities do not contravene the obligation in section 6(1) of the Human Rights Act 1998 not to act in a way which is incompatible with an individual's rights under the European Convention on Human Rights ("ECHR"). It is particularly concerned to prevent

contravention of the qualified right in Article 8 of the ECHR to respect for private and family life, home and correspondence.

3.4. The Council's use of RIPA

3.5. The Interim Monitoring Officer is the senior responsible officer for ensuring the Council complies with RIPA. The Head of Legal Services (Community) ("HLS") is his deputy.

3.6. The Council has policies on the use of directed surveillance or covert human intelligence sources. The current versions of these policies were approved by Cabinet on 3 October 2012, as appendices to the Council's enforcement policy. The Council also has in place guidance manuals to assist officers in the authorisation process. The policies and guidance are designed to help the Council comply with RIPA and the Codes of Practice issued by the Home Office in relation to directed surveillance and the use of covert human intelligence sources.

3.7. The Council's priorities for using RIPA, as specified in its policies are -

- Anti-social behaviour
- Fly-tipping
- Unlawful street vending of DVDs and tobacco
- Underage sales of knives, tobacco, alcohol and fireworks
- Fraud, including misuse of disabled parking badges and claims for housing benefit
- Illegal money-lending and related offending
- Breach of licences
- Touting.

3.8. The Council may only use covert investigation for the purposes of serious offences. This means an offence of the following kind –

- An offence punishable by a maximum term of at least 6 months of imprisonment.
- An offence under section 146 of the Licensing Act 2003 (sale of alcohol to children).
- An offence under section 147 of the Licensing Act 2003 (allowing the sale of alcohol to children).
- An offence under section 147A of the Licensing Act 2003 (persistently selling alcohol to children).
- An offence under section 7 of the Children and Young Persons Act 1933 (sale of tobacco etc. to persons under eighteen).

- 3.9. The Council must also have approval from a court, in addition to an internal authorisation granted by its authorising officer, before carrying out covert surveillance.
- 3.10. In accordance with the Council's policies and manuals, a central record is maintained in Legal Services of all authorisations and approvals granted to carry out either directed surveillance or to use covert human intelligence sources (authorisations under Part 2 of RIPA). The Council provides an annual return to the Office of Surveillance Commissioners ("OSC"), based on the central record.
- 3.11. In order to ensure that applications for RIPA authorisation are of an appropriate standard, the Council's policies and manuals provide that all applications for authorisation to conduct directed surveillance or to use covert human intelligence sources should be considered by a gatekeeper before being passed on to the authorising officer. The Council has a single gatekeeper (the Head of Community Safety Enforcement & Markets within the Community Safety Service). In the absence of the Head of Community Safety Enforcement & Markets, the HLS may act as gatekeeper. The gatekeeper must work with applicant officers to ensure an appropriate standard of applications, including that applications use the current template, correctly identify known targets and properly address issues of necessity, proportionality and collateral intrusion.
- 3.12. The Council has a single authorising officer (Service Head - Community Safety), who has responsibility for considering applications to use directed surveillance or covert human intelligence sources. The policies provide that the Head of Internal Audit may stand in for the Service Head - Community Safety where the ACE or HLS consider it necessary.
- 3.13. The Council's policies and manuals require officers who apply for RIPA authorisations to expeditiously forward copies of authorisations, reviews and cancellations to Legal Services for the central record. The HLS (or deputy) attends fortnightly at CLC's internal deployment meetings to ensure the central record is being kept up to date. Representatives of each service area in CLC attend these meetings. The Council's authorising officer and gatekeeper attend. The meetings provide an opportunity to check the status of applications and authorisations under RIPA and a forum at which officers may present any operations plans where covert investigation may be required and seek a steer from those at the meeting.
- 3.14. The Council's RIPA applications**
- 3.15. Quarter 1 of 2013/2014**
- 3.16. There were no authorisations granted in quarter 1 of 2013/2014.

3.17. Quarter 2 of 2013/2014

- 3.18. A single authorisation was granted in quarter 2 of 2013/2014. This was granted on 7 August 2013 in respect of application CS0001. The subject matter of the investigation was touting and details of the authorisation are set out in Appendix 1 to this report.
- 3.19. The authorisation was the first one under the new regime, whereby approval is also required from a court. An application was made to the Thames Magistrates' Court and approval was given on 25 September 2013.

3.20. Inspection by the Office of Surveillance Commissioners

- 3.21. The Council was inspected by the Office of Surveillance Commissioners (**OSC**) on 16 May 2013. The report of the inspection was provided by the OSC on a restricted basis.
- 3.22. Overall, the inspector found that measures put in place in 2011 had delivered exemplary standards of compliance in all areas the subject of OSC scrutiny. The inspector specifically noted –
- A comprehensive guidance and procedural manual, with clearly defined roles.
 - Strict oversight controls by the authorising officer.
 - Regular partnership meetings at which RIPA is a standing item.
 - Regular reporting to the Standards Committee.
 - A policy for securing technical equipment.
 - An effective training strategy.
 - A central record compliant with codes of practice.
 - An exemplary standard of application and authorisation.
- 3.23. The inspector made some recommendations for further improvement, which are being taken forward. These include –
- Briefing practitioners on the parameters of an authorisation, the matters which a cancellation statement should take into account use of RIPA in relation to social networking. On 2 September 2013, a briefing was given by Legal Services to the regular community safety partnership meeting about these matters.
 - Creation of a single ongoing record, rather than an annual record to facilitate consideration of whether a particular application is proportionate or not.

4. COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 4.1 This is a report of the Council's use of the Regulation of Investigatory Powers Act 2000 ("RIPA") to the Standards Committee. There are no financial implications arising from the recommendations in this report.

5. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL)

- 5.1. Legal implications are addressed in the body of the report.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1. Enforcement action that complies with the five principles expressed in the Council's enforcement policy should help to achieve the objectives of equality and personal responsibility inherent in One Tower Hamlets.
- 6.2. The enforcement policy should enhance Council efforts to align its enforcement action with its overall objectives disclosed in the Community Plan and other key documents such as the local area agreement and the Local Development Framework. For example, one of the key Community Plan themes is A Great Place to Live. Within this theme there are objectives such as reducing graffiti and litter. The enforcement policy makes clear the need to target enforcement action towards such perceived problems. At the same time, the enforcement policy should discourage enforcement action that is inconsistent with the Council's objectives.
- 6.3. Enforcement action may lead to indirect discrimination in limited circumstances, but this will be justified where the action is necessary and proportionate. Necessity and proportionality are key considerations in respect of every application for authorisation under RIPA.

7. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 7.1. The enforcement policy seeks to target the Council's enforcement action in accordance with the Community Plan. The Community Plan contains the Council's sustainable community strategy for promoting or improving the economic, social and environmental well-being of Tower Hamlets and contributing to the achievement of sustainable development in the United Kingdom. To the extent that the enforcement policy aligns enforcement action with the Community Plan it will tend to promote sustainable action for a greener environment.

8. RISK MANAGEMENT IMPLICATIONS

- 8.1. Enforcement action carries with it a variety of inherent risks, including the potential for allegations of over- or under-enforcement, discrimination, adverse

costs orders and damage to the Council's reputation. It is considered that proper adherence to RIPA, the codes of practice, the Council's policies and guidance will ensure that risks are properly managed. Oversight by the Standards Committee should also provide a useful check that risks are being appropriately managed.

9. EFFICIENCY STATEMENT

9.1. The report does not propose any direct expenditure. Rather, it is concerned with regularising decision-making in areas in which the Council is already active. The enforcement policy seeks to ensure that enforcement action is targeted to the Council's policy objectives. This is more likely to lead to efficient enforcement action than a less-controlled enforcement effort. It is also proposed that members will have an oversight role through the Standards Committee. This will provide an opportunity to judge whether the Council's enforcement action is being conducted efficiently.

10. APPENDICES

Appendix 1 – Summary of Quarter 2 RIPA authorisations

**Local Government Act, 1972 Section 100D (As amended)
List of "Background Papers" used in the preparation of this report**

Brief description of "back ground papers"	Name and telephone number of holder and address where open to inspection.
None	N/A

APPENDIX 1 - SUMMARY OF QUARTER 2 RIPA AUTHORISATIONS

CS0001	Summary information
Service area:	Community Safety
Date URN granted:	12 April 2013
Application on correct form?	Yes
Date of gatekeeper clearance:	
Date of authorisation:	7 August 2013
Date of Court approval	25 September 2013
Expiry date and time:	31 October 2013
Scheduled review date(s):	None
Dates of reviews:	None
Cancellation:	Still active
Total time open:	14 days (at time of writing)
Type of covert investigation:	Directed surveillance
Subject matter of investigation:	Touting in the Brick Lane area
Necessity:	The action was considered necessary given: (1) the level of public complaints; (2) the failure of high visibility patrols to catch individuals touting or to deter individuals engaged in touting; and (3) despite warnings, education of licence holders, written advice and meetings, the touts and restaurants continue to operate in a way that impacts on visitors and residents. The action will prevent or detect crime, namely offences against: section 136(1) of the Licensing Act 2003; section 237 of the Local Government Act 1972; regulations 9 and 11 of the Consumer Protection From Unfair Trading Regulations 2008.
Proportionality:	The authorising officer took into account: (1) the preventative work undertaken in the area to educate and inform restaurant owners of their licence conditions and the offences they commit; (2) the level of public complaints associated with the activity; (3) the continual presence of uniformed police officers and council officers which only curtail the activity while they are near the offending individuals.
Collateral intrusion:	Visual images would be recorded of passers-by and restaurant customers. A tape would be prepared of

	highlights and any remaining material kept under seal to be made available in criminal proceedings in accordance with the Criminal Procedure Rules.
Outcome:	The operation is ongoing at the time of writing this report.

Agenda Item 8.3

COMMITTEE: Overview and Scrutiny	DATE: 5 November 2013	CLASSIFICATION: Unrestricted	REPORT NO.	AGENDA ITEM NO.
REPORT OF: David Galpin, Head of Legal Services - Community		TITLE: Complaints and Information Governance Annual Report 2012/2013		
ORIGINATING OFFICER(S): Ruth Dowden, Complaints and Information Manager		Wards Affected: ALL		

1. INTRODUCTION/SUMMARY

- 1.1 This report addresses the volume of complaints, and information requests received by the Council in the period 1 April 2012 to 31 March 2013, the outcomes and the standard of performance in dealing with them. The Local Government Ombudsman's Annual letter 2012/13 reflects complaints they have considered in relation to Tower Hamlets.

2. FOR OVERVIEW AND SCRUTINY COMMITTEE TO CONSIDER

- 2.2 The Committee is asked to consider and comment on the content of the annual report.

3. BACKGROUND

- 3.1 The requirement for an annual report on social care complaints is set out in the Children Act 1989 Representations Procedure (England) Regulations 2006 and statutory guidance. An internal audit requirement in 1999 led to the service establishing an annual report on the council's handling of corporate complaints, and these complaints annual reports have been combined since 2006/07.
- 3.3 Following the merger of the Corporate Complaints team and the Information Governance team in 2011, the annual report also considers the Council's handling of requests under the Freedom of Information Act 2000, the Environmental Information Regulations 2004 and the Data Protection Act 1998 (subject access requests).
- 3.4 As provided for in the constitution, the Complaints Annual Report is presented for consideration at the Overview and Scrutiny Committee (section 3.3.2 and article 6.02) and Standards Committee (section 3.3.3 and article 9.03 (m)).

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1. This report provides the annual complaints and information report for the period 1st April 2012 to 31st March 2013 to be considered by the Standards Advisory Committee. There are no financial implications arising from this report. However In the event that the Council agrees further action in response to this report, then officers will be obliged to seek the appropriate financial approval before further financial commitments are made.

5. COMMENTS OF THE CHIEF LEGAL OFFICER

- 5.1 The Council has statutory duties in respect of the handling of social care complaints as set out in the report. The proper handling of complaints and the consideration of information arising from a those complaints may also be consistent with good administration in the discharge of the Council's functions. It may contribute to improving the quality of services that the Council offers and hence to the Council's duty as a best value authority under section 3 of the Local Government Act 1999 to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness". Proper complaints handling and review may also contribute to the avoidance of maladministration within the meaning of the Local Government Act 1974.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 The annual report provides equality information which the committee should have regard to when considering the report.

7. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 7.1 There are no sustainable actions for a greener environment emerging from this report.

8. RISK MANAGEMENT IMPLICATIONS

- 8.1 The consideration of complaints information is an important means of assessing service delivery and identifying risks.
- 8.2 There are risks associated with information handling and considering an annual report on information governance matters helps to manage this.

9. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 9.1 There are no immediate crime and disorder implications from this report.

10. EFFICIENCY STATEMENT

- 10.1 There are no efficiency implications emerging from this report. However, matters arising in the annual report may be used to inform future delivery.

11. **APPENDICES**

Appendix 1 – Complaints and Information Governance Annual Report

Appendix 2 – Ombudsman’s letter

**Local Government Act, 1972 Section 100D (As amended)
List of “Background Papers” used in the preparation of this report**

Brief description of “background papers”

None

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16 July 2013

By email

Mr Stephen Halsey
Acting Head of Paid Service
London Borough of Tower Hamlets

Dear Mr Halsey

Annual Review Letter

I am writing with our annual summary of statistics on the complaints made to the Local Government Ombudsman (LGO) about your authority for the year ended 31 March 2013. This year we have only presented the total number of complaints received and will not be providing the more detailed information that we have offered in previous years.

The reason for this is that we changed our business processes during the course of 2012/13 and therefore would not be able to provide you with a consistent set of data for the entire year.

In 2012/13 we received 72 complaints about your local authority. This compares to the following average number (recognising considerable population variations between authorities of a similar type):

District/Borough Councils-	10 complaints
Unitary Authorities-	36 complaints
Metropolitan Councils-	49 complaints
County Councils-	54 complaints
London Boroughs-	79 complaints

Future development of annual review letters

We remain committed to sharing information about your council's performance and will be providing more detailed information in next year's letters. We want to ensure that the data we provide is relevant and helps local authorities to continuously improve the way they handle complaints from the public and have today launched a consultation on the future format of our annual letters.

I encourage you to respond and highlight how you think our data can best support local accountability and service improvements. The consultation can be found by going to www.surveymonkey.com/s/annualletters

LGO governance arrangements

As part of the work to prepare LGO for the challenges of the future we have refreshed our governance arrangements and have a new executive team structure made up of Heather Lees, the Commission Operating Officer, and our two Executive Directors Nigel Ellis and Michael King. The Executive team are responsible for the day to day management of LGO.

Since November 2012 Anne Seex, my fellow Local Government Ombudsman, has been on sick leave. We have quickly adapted to working with a single Ombudsman and we have formally taken the view that this is the appropriate structure with which to operate in the future. Our sponsor department is conducting a review to enable us to develop our future governance arrangements. Our delegations have been amended so that investigators are able to make decisions on my behalf on all local authority and adult social care complaints in England.

Publishing decisions

Last year we wrote to explain that we would be publishing the final decision on all complaints on our website. We consider this to be an important step in increasing our transparency and accountability and we are the first public sector ombudsman to do this. Publication will apply to all complaints received after the 1 April 2013 with the first decisions appearing on our website over the coming weeks. I hope that your authority will also find this development to be useful and use the decisions on complaints about all local authorities as a tool to identify potential improvement to your own service.

Assessment Code

Earlier in the year we introduced an assessment code that helps us to determine the circumstances where we will investigate a complaint. We apply this code during our initial assessment of all new complaints. Details of the code can be found at:

www.lgo.org.uk/making-a-complaint/how-we-will-deal-with-your-complaint/assessment-code

Annual Report and Accounts

Today we have also published *Raising the Standards*, our Annual Report and Accounts for 2012/13. It details what we have done over the last 12 months to improve our own performance, to drive up standards in the complaints system and to improve the performance of public services. The report can be found on our website at www.lgo.org.uk

Yours sincerely

A handwritten signature in black ink that reads "Jane Martin". The signature is written in a cursive style with a long horizontal flourish at the end.

Dr Jane Martin
Local Government Ombudsman
Chair, Commission for Local Administration in England

**Complaints and
Information
Governance
Annual Report

2012-2013**

Contents

- Section 1 Introduction
- Section 2 Information Governance
- Section 3 Information Requests
- Section 4 Subject access requests
- Section 5 Corporate Complaints
- Section 6 Adult Social Care Complaints
- Section 7 Children's Social Care Complaints
- Section 8 Ombudsman Complaints
- Section 9 Risk Assessment
- Section 10 Improvement Initiatives

1. INTRODUCTION AND SUMMARY

- 1.1. This report provides information regarding the Council's handling of complaints and information requests in the year 2012/13. It covers –
- Information governance (section 2);
 - Information requests under the Freedom of Information Act and Environmental Information Regulations (section 3);
 - Subject access requests under the Data Protection Act (section 4);
 - Complaints handling at all stages of the Council's Corporate Complaints Procedure (section 5);
 - Complaints handling under the statutory Adults and Children's Social Care Complaints Procedures (sections 6 and 7);
 - Complaints to the Information Commissioner (section 2) and the Local Government Ombudsman (section 8) in relation to complaints escalated to them;
- 1.2. In addition to addressing the volume of complaints and information requests received by the Council in the period 1 April 2012 to 31 March 2013, the report also looks at the outcomes of those cases; and the standard of performance in dealing with them. Policy and practice developments in information governance and complaints are also summarised.
- 1.3. The highlights for 2012/2013 were that –
- The rate of reviews from information requests remained low (at 2%).
 - The Information Commissioner determined only four complaints in relation to the Council, of which only one was upheld.
 - The Local Government Ombudsman made no reports against the Council for over four years.
 - There was a reduction in statutory complaints for both adults' and children's social care.
- 1.4. The response times for information requests fell, but measures are in place to bring these back in line with 2011/2012 levels.
- 1.5. Overall, the number of corporate complaints increased during 2012/2013. The reasons for increases are addressed in section 5 of the report. Notably, the year included the London 2012 Olympic Games and associated disruption, the growth in population, as well as the move towards implementation of the Government's social welfare reforms.
- 1.6. Most successful organisations encourage service users to complain, and as such a high volume of complaints is often an indication of a healthy relationship with service users. However, complaints should be resolved at the lowest possible point and the escalation of complaints can indicate difficulties in addressing matters at the service level. With these objectives in mind, the Council has adopted corporate performance standards, designed to ensure complaints are dealt with in a timely fashion. Performance is regularly reviewed by both the corporate management team and

elected Members. The Complaints and Information Team identifies themes and works with the service areas to bring about effective change.

2. INFORMATION GOVERNANCE

- 2.1. Information governance encompasses the policies, procedures and controls designed to manage information across the Council. The Council has a framework of policies, procedures and guidance covering records management, information security and data protection. Information risk is managed within the Council's corporate risk management framework.
- 2.2. The Service Head for Customer Access and ICT is the Council's senior information risk officer (SIRO) and has overall responsibility for information governance. The SIRO is supported by the corporate complaints and information team, managed by the Head of Legal Services – Community. An Information Governance Group (IGG) of officers meets every 6 weeks to review information governance issues and to develop strategic approaches to legislation, policies, practice, risk management and quality assurance,
- 2.3. The Council is a data controller within the meaning of the Data Protection Act 1998 and is required to process data in accordance with the data protection principles. These may be summarised as follows –
- Personal data shall be processed fairly and lawfully and only where one of the conditions specified in the Data Protection Act is met.
 - Personal data shall be obtained only for one or more specified and lawful purposes, and shall not be further processed in any manner incompatible with that purpose or those purposes.
 - Personal data shall be adequate, relevant and not excessive in relation to the purpose or purposes for which they are processed
 - Personal data shall be accurate and, where necessary, kept up to date.
 - Personal data processed for any purpose or purposes shall not be kept for longer than is necessary for that purpose or those purposes.
 - Personal data shall be processed in accordance with the rights of data subjects under this Act.
 - Appropriate technical and organisational measures shall be taken against unauthorised or unlawful processing of personal data and against accidental loss or destruction of, or damage to, personal data.
 - Personal data shall not be transferred to a country or territory outside the European Economic Area unless that country or territory ensures an adequate level of protection for the rights and freedoms of data subjects in relation to the processing of personal data.
- 2.4. A number of developments took place in relation to information governance during 2012/2013.
- 2.5. Public Health and the Information Governance Toolkit
- 2.6. In order to facilitate the transfer of public health staff, the Council sought to meet the requirements of the National Health Service's Information Governance Toolkit. The Toolkit specifies the standards of information governance expected by the NHS before it will allow organisations to connect to its information systems and receive information from the NHS. In March 2013 the Council was successfully assessed against the

Toolkit requirements. A plan has been prepared to further improve the Council's level of compliance with the Toolkit, which will be implemented during 2013/2014.

2.7. Secure email and protective marking

2.8. The Council concluded the pilot of the secure e-mail service Egress, which allows secure communications to be made to all organisations and individuals who are not covered by other forms of secure email, such as GCSX¹. Implementation of Egress is in progress, working in conjunction with the Council's partner Agilisys. The Council is implementing a schema for the protective marking of information, on a limited basis for the purpose of maintaining the GCSX Code of Connection.

2.9. Transparency

2.10. The Council reviewed the information it routinely makes available to the public and proposes to increase the categories of information during 2013/2014 by reference to the Government's voluntary code on transparency.

2.11. Information Risk

2.12. The Council carried out an organisation-wide review of risks in relation to paper-based records during 2012/2013. Most services reported low levels of risk. A small number of services identified medium level risks, which are being managed within the Council's corporate risk management framework.

2.13. Retention of information

2.14. In addition to ensuring that information is held securely, the Council must also only hold information for the length of time it is legitimately required. Some retention periods are set in law (e.g. social care records) and others by good practice. The Council has been conducting a wide-ranging review of its retention schedules, which should be finalised in 2013/2014.

2.15. Security incidents

2.16. Information security incidents are required to be reported to the corporate complaints and information team. These are recorded and the register is reviewed periodically by the IGG. None of the incidents registered resulted in or required reporting to the Information Commissioner.

¹ Government Connect Secure Extranet, and allows Councils to send secure email to each other and central government.

3. INFORMATION REQUESTS

- 3.1 The Council is required to respond to information requests under both the Freedom of Information Act 2000 and the Environmental Information Regulations 2004.
- 3.2 The Freedom of Information (FOI) Act 2000 was introduced to help bring about a culture of openness within the public sector so that the information held by public authorities is available and accessible to all, both within and outside the communities they serve. It gives the public access to most structured information held by the Council unless it is appropriate for the Council to apply a legal exemption.
- 3.3 A separate but parallel process under the Environmental Information Regulations 2004 (EIR) provides for access to environmental information within the meaning of EU Directive 2003/4/EC. This covers information on –
- The state of the elements of the environment, such as air and atmosphere, water, soil, land, landscape and natural sites including wetlands, coastal and marine areas, biological diversity and its components, including genetically modified organisms, and the interaction among these elements;
 - Factors affecting or likely to affect the elements of the environment, such as noise or waste.
 - Measures (including administrative measures), such as policies, legislation, plans, programmes, environmental agreements, and activities affecting or likely to affect the elements of the environment and factors affecting them.
 - Cost-benefit and other economic analyses and assumptions used within the framework of these measures and activities.
 - Reports on the implementation of environmental legislation.
 - The state of human health and safety, including the contamination of the food chain, where relevant, conditions of human life, cultural sites and built structures inasmuch as they are or may be affected by the state of the elements of the environment or, through those elements, by any of the factors, measures or activities referred to above.
- 3.4 The FOI Act and EIR both set a deadline of 20 working days for the Council to respond to written requests from the public. It is regulated by the Information Commissioner (ICO) and information on the ICO's investigations and decisions is set out below.
- 3.5 Information disclosed by the Council to applicants is usually also published on the Council's disclosure log, linked to the Council website. In this way a resource has been built up over time which is available to the public for reference.
- 3.6 Details of FOI and EIR requests received by the Council in 2012/2013 are summarised in Figures 1 and 2.

Figure 1

FOI and EIR	2011/12 Total			2012/13 Total		
	Rec	In Time		Rec	In Time	
Apr	91	74	81%	122	114	94%
May	145	136	94%	134	129	96%
Jun	124	121	98%	98	95	97%
Jul	123	118	96%	156	147	94%
Aug	156	155	99%	138	124	90%
Sep	143	135	94%	130	107	82%
Oct	178	176	99%	147	125	85%
Nov	206	202	98%	152	108	71%
Dec	118	114	97%	101	62	61%
Jan	161	154	96%	172	127	74%
Feb	146	138	95%	187	127	68%
Mar	138	133	96%	138	106	77%
Total	1729	1656	96%	1673	1371	82%

Figure 2

FOI & EIR Requests	2011/12			2012/13			Change	
	Rec	In Time		Rec	In Time			
Chief Executive's	170	150	88%	210	122	58%	40	24%
CLC	427	418	98%	396	345	87%	-31	-7%
Development & Renewal	269	256	95%	270	204	76%	1	0%
ESCW	349	342	98%	309	299	97%	-40	-11%
Resources	450	428	95%	410	334	81%	-40	-9%
Tower Hamlets Homes	64	62	97%	78	67	86%	14	22%
Total	1729	1656	96%	1673	1371	82%	-56	-3%
		(39 EIR)			(18 EIR)			

3.7 The number of information requests remained high in 2012/2013, sustaining the very significant jump up in requests (79%) which took place from 2010/2011 to 2011/2012. There was a slight reduction from 2011/2012 to 2012/2013 of 56 requests (less than 3%), which is not significant. The Chief Executive's directorate experienced significant growth in the number of requests of 40 (24%).

3.8 Performance in responding to requests within the 20 working day statutory deadline fell to 82% in 2012/2013. Analysis by month indicates that December 2012 to February 2013 was a problem period. A combination of factors appears to have contributed to the reduced performance, but the most significant issue appears to have been a technical issue in which automated reminders ceased to be produced by the electronic system in November 2012. This was later detected and a new monitoring and reminder regime instituted –

- Automatic reminders are being sent again.
- Requests are being escalated to senior managers at 15 days.
- Performance is being reviewed at the most senior level.

3.9 The complexity of requests can have an impact on the time needed to respond and the workload of officers, regrettably the current system has no way of recording the level of complexity of requests.

3.10 The Council is in the process of procuring new software for handling information requests, member enquiries and complaints, which should enhance its ability to manage, monitor and report on these areas of work.

3.11 Internal Review

3.12 On receipt of a response to an FOI or EIR request, an applicant may ask for an internal review if dissatisfied with the response provided. Out of the total 1680 requests received during 2012/2013, 34 (or 2%) were taken to Internal Review. This escalation rate is considered to be low. There were 12 cases (36% of those taken on review) in which the applicant's complaint was upheld in whole or in part following an internal review. Set out below is a summary of the upheld cases.

3.13 Some cases were refused in full or in part at the initial stage, due to the information containing personal data of other people.

- An applicant requested details about self insurance claims by address. The information was initially refused under section 40(2) as this would contain personal data. On review, the information was provided, having been anonymised by removing the second part of the postcode.
- Another applicant requested anonymised service charge information on a number of neighbouring properties. The information was initially refused under section 40(2) However, on review, the information was provided, having been anonymised by removing names and other details.

3.14 A further two review decisions considered the application of the exemption in section 31 of the FOI Act concerning law enforcement.

- Initially the information concerning pavement inspections was withheld as it could possibly lead to fraudulent claims for injury or damage. On review it was considered that there was a low likelihood of this occurring and the application of the section 31(1)(a) exemption was not upheld. The information was provided.
- An applicant requested detailed information in relation to all live business rates accounts with rateable value greater than or equal to £25,000. The information was refused for a number of reasons including the time required to prepare the information exceeding the prescribed time limit of 18 hours and under the section 31 exemption. However the review concluded that while section 31 (law enforcement) was valid and the information not supplied, the incorrect reason had been given and furthermore no assistance was given under section 16 of the Freedom of Information Act 2000, which is a duty to provide advice and assistance.

3.15 As with the case above, there is an obligation to offer advice and assistance to help applicants obtain relevant information, and in a timely fashion.

- An applicant requested complaints information for three years categorised by method of communication and a list of complaints upheld and remedies granted within the same period. THH provided some information, but not in the format requested as the information was not held in exactly the format. On review, it was found that insufficient assistance had been given to help modify the request so that more information could be disclosed, which was given in the review response.
- There were five complaints concerning delay in responding to the original request.
- An applicant sought information regarding a planning application and was directed to the planning portal. The request for internal communications was refused under EIR, Regulation 12(4)(e) Personal Data. The request was answered on Day 22. The applicant complained about the application of the exemption, the time taken and the failure to advise of the delay. This was upheld on review, with information provided (redacted to remove personal data) and an apology was given for delay.

3.16 Complaints to the Information Commissioner

3.17 The Information Commissioner issued four decision notices concerning the Council in 2012/2013. The summaries from the ICO website are reproduced below, only one of which was upheld.

3.18 Case Ref: FER0415204, April 2012. The complainant requested information relating to a site at Heron Quays West. Following the disclosure of some information, the only outstanding issue was the Council's decision to withhold information on the basis that it was covered by legal professional privilege and was excepted under regulation 12(5)(b) of the Environmental Information Regulations 2004 ("the EIR"). The Commissioner's decision is that the Council correctly relied on regulation 12(5)(b) to withhold the majority of the information.

3.19 Case Ref: FS50428745, July 2012. The complainant has requested information about a Cabinet meeting held on 8 June 2011. This was refused citing exemptions under section 36 (effective conduct of public affairs) and section 42 (legal professional privilege) as its bases for refusal. The Commissioner's decision is that the Council is entitled to withhold the requested information under section 42(1) of FOIA. No steps are required.

3.20 Case Ref: FS50442036, September 2012. The complainant has requested information about the commissioning of a report into recurrent unemployment, in a follow-up to a previous request for a copy of that report. The Council has not responded to the request. The Commissioner's decision is that the Council failed to provide a response

to the request within the statutory time limit of 20 working days, in breach of section 10(1) of the FOIA. The Commissioner requires the public authority to either, to comply with the requirements of section 1 of the FOIA, or to issue a valid refusal notice in accordance with section 17.

3.21 Case Ref: FS50440963, December 2012. The complainant requested a copy of a report into recurrent unemployment. The Council stated that the report was not held. Following further searches, both internally and external to the public authority, copies of late draft versions of the report were located and disclosed to the complainant. These were not, however, the information which had been requested and the Commissioner finds that the requested information is not held by the Council. The Commissioner's decision is that the Council has complied with section 1(1) of FOIA. The Commissioner does not require the public authority to take any steps to ensure compliance with the legislation.

3.22 Equalities

3.23 The Council does not seek equalities monitoring information at the point of request, as this may be seen as a barrier to information requests. When providing responses, the Council invites applicants to complete a combined customer satisfaction and equalities monitoring questionnaire. Regrettably the volumes of responses are not sufficiently high to enable significant conclusions to be drawn for the purposes of the Council's public sector equality duty.

4. SUBJECT ACCESS REQUESTS

4.1 The Data Protection Act 1998 (DPA) governs the collection, storage, and processing of personal data, in both manual and electronic forms. It is regulated by the Information Commissioners Office (www.ico.gov.uk). It requires those who hold personal data on individuals to be open about how the information is used, and requires the Council to process data in accordance with the principles of the Act. Individuals have the right to find out what personal data is held about them, and what use is being made of that information. These 'Subject Access Requests' should be processed by the Council within a period of 40 calendar days. Details of the requests received in 2012/2013 are set out in Figures 3 and 4.

Figure 3

DPA	2011/12			2012/13		
	Rec	In Time		Rec	In Time	
Apr	12	9	75%	24	20	83%
May	26	21	81%	36	35	97%
Jun	25	25	100%	14	13	93%
Jul	38	38	100%	10	6	60%
Aug	16	16	100%	13	10	77%
Sep	19	17	89%	19	14	74%
Oct	19	14	74%	19	12	63%
Nov	18	18	100%	26	19	73%
Dec	17	17	100%	5	3	60%
Jan	15	6	40%	20	12	60%
Feb	15	10	67%	18	11	61%
Mar	28	26	93%	14	6	43%
	248	217	88%	218	153	74%

Figure 4

Subject Access Requests	2011/12			2012/13			Change	
	Rec	In Time		Rec	In Time			
Chief Executive's	4	4	100%	5	5	100%	1	25%
CLC	17	16	94%	12	11	92%	-5	-29%
Development & Renewal	8	8	100%	3	2	67%	-5	-63%
ESCW	71	49	69%	88	43	49%	17	24%
Resources	139	131	94%	95	88	93%	-44	-32%
Tower Hamlets Homes	9	9	100%	15	12	80%	6	67%
Total	248	217	88%	218	153	74%	-30	-12%

4.2 Requests for personal information held by the Council rose 52% from 133 in 2010/11 to 248 in 2011/12. There was a reduction from 2011/2012 to 2012/2013 of 30 requests or 12%. The requests received in the Resources directorate generally concern Benefits and Revenues. The majority of Adults Health and Wellbeing and Children School and Families requests are for social care records.

- 4.3 The overall response rate was poor, with 74% being answered within the statutory timeframe. The performance fell in part to a glitch in the database preventing reminders from being sent, and an increasing complexity of requests. Work is being done to raise this performance, by –
- Improving the internal processes and raising awareness
 - Modifying the database to ensure automated reminders are sent
 - Producing weekly due and outstanding lists.
- 4.4 Requests for personal identifiable information are collated by the relevant service area and assessed under the Data Protection Act criteria. The corporate complaints and information team advise on preparation of files for release, and ensure that appropriate action is taken to safeguard data pertaining to other people and ensure that third party data redacted.
- 4.5 Some of the files held can be large with significant amounts of data provided by third parties (e.g. medical reports) and or relating to other people (e.g. family members / neighbours). In order for there to be a prompt response to all requests, consideration must be given to the resources required in each directorate or service area to meet the changing demand.

5. CORPORATE COMPLAINT STATISTICS AND ANALYSIS

5.1 The Corporate Complaints procedure

5.2 The complaints procedure is detailed on the Council's web site, where the Council states "we want to hear from you" and specifies –

- Its desire to give the best possible service;
- That it can only find out what needs to improve by listening to the views of service users and others;
- Its commitment to continuously improving services; and
- Its undertaking to act on what it is told.

5.3 The Corporate Complaints procedure is a three stage process, accepting issues from anyone who wants, or receives, a service from the Council. The exception is where the matter is covered by another channel of redress, such as a legal, or appeal, process (e.g. benefits assessments, parking penalty charges, leasehold matters), or where a statutory procedure exists.

5.4 At stages 1 and 2 of the complaints procedure, the matter is addressed by the relevant service managers. At the third and final stage, an independent investigation is conducted by the complaints and Information Team on behalf of the Chief Executive.

5.5 Most Social Care complaints come under statutory procedures and are detailed in sections 6 and 7 of this report. Schools complaints also fall under a separate procedure at Stages 1 and 2, with the final stage coming under the Corporate Complaints Procedure, at Stage 3.

5.6 Volume of complaints

5.7 Figure 5 provides summary information about the total number of complaints received by the Council in 2012/13. Overall, the number of complaints – excluding the FOI internal reviews – was 8% higher than in the previous year, rising from 2,420 to 2,622.

It should be noted that the period that this report relates to saw an increase in the Tower Hamlets population, from 237,900 in 2011/12 to 256,000 in 2012/13. This equates to an 8% increase. When taking this population increase into account, the rate of complaints for both 2011/12 to 2012/13 has remained similar at 10.2 complaints per 1,000 population.

The 2012/13 Annual Residents Survey also shows that overall satisfaction with the council has remained at a similar level to last year, with 64% of respondents stating they were very or fairly satisfied.

Figure 5

Volume of Corporate Complaints				
Year	2011/12	2012/13	Variance	
Stage 1	2017	2274	257	13%
Stage 2	302	277	-25	-8%
Stage 3 (FOI Internal Reviews)	132 (31)	155 (84)	-30 (23)	17% (171)
Total Complaints (Including FOI Internal Reviews)	2420 (2451)	2622 (2706)	202 (253)	8% 10%

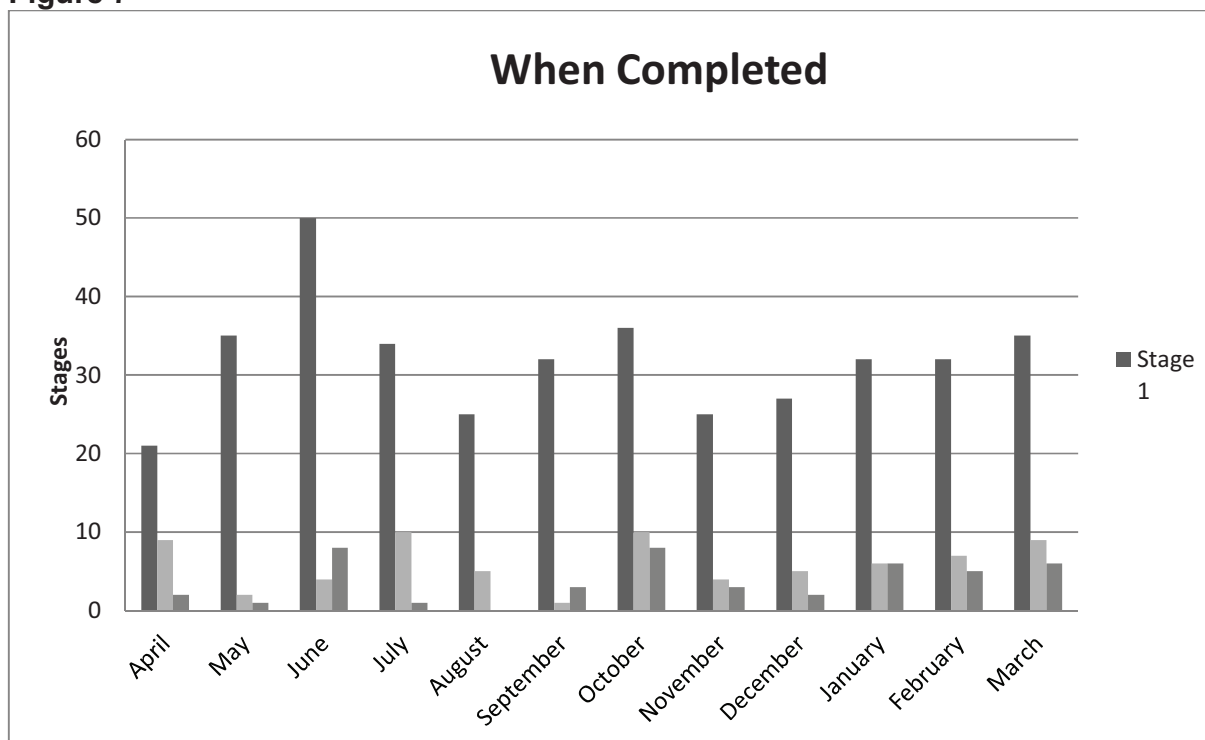
5.8 Figure 6 below shows the escalation rates through the stages of the complaints process. Overall, 15% of Stage 1 complaints were escalated to Stage 2 of the complaints process and 5% of Stage 1 complaints were escalated to Stage 3. This demonstrates that by far the greatest proportion of complaints is dealt with at the first stage, which is what the Council would hope to achieve with its complaints handling. The escalation rate of 2.5% for FOI requests compares favourably against the rate of 5% for overall Corporate Complaints.

Figure 6

Escalation Rates by Directorate 2012/13						
Directorate	Stage 1	Stage 2		Stage 3		Comments
		Stage 2	Escalated from Stage 1	Stage 3	Escalated from Stage 1	
Adults Health & Wellbeing	1	0	0%	0	0%	
Chief Executive's (Excluding FOI Reviews)	20	1	5%	1	5%	
Children Schools and Families	29	6	21%	2	7%	
CLC	1056	109	10%	25	2%	
Development & Renewal	231	36	16%	20	9%	
Resources	330	34	10%	9	3%	
Tower Hamlets Homes (Excluding Estate Parking Appeals)	607	91	15%	27	11%	
Totals	2274	277	12%	84	4%	

5.9 Figure 7 (below) demonstrates the seasonal trends and peaks in the reporting of complaints. There is no obvious reason for the peaks, which occur at different times year-on-year. Nevertheless, any increases for individual services are discussed, when they occur, with the relevant managers and are monitored.

Figure 7



5.10 Figure 8 shows the rate at which complaints are upheld at Stage 1 of the process and the percentage completed on time. During 2012/2013, response times for Stage 1 complaints were good, with 91% completed on time. This was ahead of the corporate target of 87%. Performance management through a variety of measures, including distribution to the Corporate Management Team of weekly lists of complaints due and outstanding, and monthly directorate performance figures, have effectively maintained response times at a high level.

Figure 8

Stage 1 Resolutions by Directorate 2012/13												
	Total		Not Upheld		Partially Upheld		Upheld		Withdrawn or Referred On		Closed in Time	Average Days to Close
Adults Health & Wellbeing	1	0%	0	0%	0	0%	1	100%	0	0%	100%	2.0
Chief Executive's	20	1%	7	35%	1	5%	12	60%	0	0%	75%	11.1
Children Schools and Families	29	1%	8	28%	8	28%	12	41%	1	3%	69%	11.3
CLC	1056	46%	517	49%	177	17%	343	32%	19	2%	94%	7.5
Development & Renewal	231	10%	133	58%	40	17%	36	16%	22	10%	53%	14.1
Resources	330	15%	176	53%	96	29%	46	14%	12	4%	98%	5.6
Tower Hamlets Homes	607	27%	333	55%	36	6%	220	36%	18	3%	97%	7.8
Total Stage 1 Complaints	2274		1174	52%	358	16%	670	29%	72	3%	91%	8.0

5.11 Figure 9 shows the rate at which complaints are upheld at Stage 2 of the process and the percentage completed on time. During 2012/2013, response times for Stage 2 complaints were at 87%, meeting the corporate target of 87% completed in time. At Stage 2, the nature of investigation, complexity and issues raised will vary across the services the Council provides.

Figure 9

Stage 2 Resolutions by Directorate 2012/13												
	Total		Not Upheld		Partially Upheld		Upheld		Withdrawn or Referred On		Closed in Time	Average Days to Close
Adults Health & Wellbeing	0	0%	0	0%	0	0%	0	0%	0	0%	0%	0
Chief Executive's	1	0%	1	100%	0	0%	0	0%	0	0%	100%	21.0
Children Schools and Families	6	2%	0	0%	6	100%	0	0%	0	0%	83%	15.5
CLC	109	39%	47	43%	15	14%	42	39%	5	5%	92%	14.7
Development & Renewal	36	13%	25	69%	4	11%	4	11%	3	8%	64%	21.1
Resources	34	12%	27	79%	3	9%	1	3%	3	9%	97%	13.0
Tower Hamlets Homes	91	33%	25	27%	22	24%	38	42%	6	7%	88%	15.7
Total Stage 2 Complaints	277		125	45%	50	18%	85	31%	17	6%	87%	15.7

5.12 Figure 10 shows the rate at which complaints are upheld at Stage 3 of the process and the percentage completed on time. During 2012/2013, response times for Stage 3 complaints fell by three percentage points to 83%, slightly below the corporate target of 87% completed in time.

Figure 10

Stage 3 Resolutions by Directorate 2012/13												
	Total		Not Upheld		Partially Upheld		Upheld		Withdrawn or Referred On		Closed in Time	Average Days to Close
Adults Health & Wellbeing	0	0%	0	0%	0	0%	0	0%	0	0%	0%	0
Chief Executive's	1	1%	1	100%	0	0%	0	0%	0	0%	100%	13.0
FOI Reviews	34	22%	17	50%	7	21%	5	15%	5	15%	76%	19.4
Children Schools and Families	2	1%	2	100%	0	0%	0	0%	0	0%	100%	20.0
CLC	25	16%	13	52%	7	28%	4	16%	1	4%	88%	17.0
Development & Renewal	20	13%	16	80%	2	10%	2	10%	0	0%	80%	19.9
Resources	9	6%	7	78%	1	11%	1	11%	0	0%	56%	19.7
Tower Hamlets Homes	64	41%	39	61%	9	14%	14	22%	2	3%	88%	17.3
Total Stage 3 Complaints	155		95	61%	26	17%	26	17%	8	5%	83%	18.2

- 5.13 FOI review performance times are disappointing, however almost 50% of the review requests for the whole period were submitted in December 2012 and January 2013 and this placed a strain on resources at that time which affected performance.
- 5.14 Volumes of Stage 3 complaints peaked in 2009/10 (184 cases). If the FOI reviews are taken out of the total, then those complaints progressing through the complaints procedure amounted to 101 in 2011/12 and 110 in 2012/13.
- 5.15 **Corporate Complaints by Service Area**
- 5.16 Set out in Appendix 1 are charts providing a breakdown of the Stage 1 Corporate Complaints in each directorate by reference to service area.
- 5.17 Adults Health and Wellbeing
- 5.18 Corporate Complaints against Adults Health and Wellbeing relate to non-statutory processes and are very few in number. Only one such complaint was received in 2012/13.
- 5.19 Chief Executive's
- 5.20 The volume of complaints in the Chief Executive's directorate is low in all sections. There was a reduction in complaints received overall and no significant trends to report.
- 5.21 Children's Schools and Families
- 5.22 Corporate Complaints against Children's Schools and Families relate to non-statutory processes and are Children's Services complaints were low in number. There is a small increase in reported period of complaints for the early years' service.
- 5.23 Communities Localities and Culture (CLC)
- 5.24 CLC receives the greatest number of Corporate Complaints of all directorates, which is to be expected having regard to the range of services it provides to the community. The most recent Annual Residents Survey showed a general increase in public satisfaction with many services, and the importance attached to these issues.
- 5.25 There was a very small increase (3%) in the number of CLC complaints received in 2012/13 (1190), compared to 2011/12 (1151). However, after factoring in the increase in population in 2012/13 (256,000 compared with 237,900 in 2011/12), the actual level of complaints received decreased from 4.84 per 1,000 residents last year, to 4.65 per 1,000 residents this year.
- 5.26 The majority of CLC complaints (89%) are dealt with at Stage 1. Only 10% of Stage 1 complaints are escalated to Stage 2, and of these, only 2% are escalated to Stage 3. In addition, compared to 2011/12 there has been a reduction in the number and percentage of complaints that were upheld or partially upheld, 588 (49%), down from

- 642 (56%). This means that not only have the proportion of complaints per head of population decreased but the number of valid complaints has also dropped by 7%.
- 5.27 Resolution times for CLC complaints across all 3 Stages were good, with 94% closed on time at Stage 1, 92% at Stage 2 and 88% at Stage 3. Effective performance management at all levels, including monthly directorate performance figures, has resulted in the prioritisation of response times. Overall, the percentage of complaints closed in time went up in 2012/13, from 90% to 94%.
- 5.28 There was a 36% reduction of the number of Stage 1 recycling complaints (116 compared with 181 in 2011/12). Most notable was a 48% reduction in dry recycling complaints (126 down to 65). Complaints about missed collections decreased by 48%, from 71 down to 37. Complaints relating to non-delivery of recycling bags dropped by 74%, from 27 down to 7.
- 5.29 In 2012/13 there were an additional 102 Stage 1 domestic refuse complaints compared to 2011/12 – a total of 239. It should be noted that as of March 2013 there were 75,526 collections per week (almost 4 million collections per year), meaning that the complaints relate to only 0.00006% of all annual collections. The increase in complaints from 2011/12 can be explained by the fact that there were an additional 3,931 collections per week (over 200,000 across the year), and also the disruption to collections during the Olympic & Paralympic Games period due to the operation of the Olympic Route Network. It should be noted that the 2012/13 Annual Residents Survey showed that satisfaction with refuse collection has remained at a similar level to last year.
- 5.30 Although the percentage of Stage 1 bulk collection complaints increased by 34%, in real terms this was only an increase of 13 complaints (51, up from 38). These complaints were largely attributed to missed collections (35 cases). Again this variation is too small to be strategically significant.
- 5.31 In 2012/13, Stage 1 street care complaints rose from 35 to 93. Just over a third of all these complaints (33) were attributed to street cleansing relating issues. It should be noted that the total area covered by street sweepers across the year (including where the same areas are swept multiple times throughout a day) is 328,443km. Therefore the number of complaints in relation to the service volume is extremely low.
- 5.32 Stage 1 Parking Services complaints increased slightly in 2012/13, from 258 to 280 complaints over the previous year. This increase is consistent with population growth – in 2012/13 there were 1.09 complaints per 1,000 residents, compared to 1.08 per 1,000 residents in 2011/12. The biggest issues were related to the appeals process (44 complaints), service delivery quality (32 complaints), enforcement (21 complaints), and permit renewal (19 complaints).
- 5.33 Stage 1 complaints from Parks increased from 6 to 37. Although these are relatively small numbers, the main issues were related to maintenance and service delivery quality. These can be explained by the additional pressures on Victoria Park during the Olympic & Paralympic Games period.

- 5.34 Stage 1 complaints relating to Arts & Events decreased by 35% in 2012/13 (22, down from 34). There has also been a 48% reduction in the number of noise nuisance complaints by (33, down from 63 in 2011/12) in 2012/13). Taken together, these figures demonstrate the improvements made in managing impacts from major events – and they are particularly impressive given the additional events in the Borough during the Olympic & Paralympic Games period, such as London Live in Victoria Park.
- 5.35 Although there was a small increase in total number of Traffic, Transportation & Highways complaints (16%, from 52 to 62), the low volumes of complaints mean that this increase is not considered statistically significant.
- 5.36 Development and Renewal
- 5.37 Overall Development and Renewal experienced a 14% increase in the number of complaints received in 2012/13. The volume of Stage 1 complaints rose by 19%. The majority of these were Stage 1 complaints for Housing Options, who received 37 more complaints than in 2011/12. This increase has been attributed to the pending welfare reform changes e.g. the likely effect of the benefits cap and general housing register assessment queries.
- 5.38 Despite the increase in Stage 1 complaints this has not translated into an increase in the number of Stage 2 or Stage 3 complaints; nor to a percentage increase in the number of complaints being up upheld or partially upheld.
- 5.39 Resources
- 5.40 The effect of the current economic climate has impacted on the number of complaints received in 2012/2013, as more Council taxpayers struggle to find the money to pay their Council tax on time. A majority of these cases were resolved by giving taxpayers additional time to pay and the number of upheld or partially upheld cases fell by over 28% on the previous year. At the same time the number Stage 2 complaints was lower than the previous year and only 1 case resulted in a Stage 3 investigation which was upheld. It should be noted that while there has been an increase in complaints regarding council tax, the 2012/13 Annual Residents Survey saw a 5 percentage points increase in resident satisfaction with the way the council collects council tax.
- 5.41 In respect of Business Rates, a significant amount of work has been done with local businesses to help ensure all reliefs and reductions are claimed, and extended payment arrangements offered where possible. Stage 1 complaints fell to only 6 in the year with 1 cases being upheld or partially upheld. There were no Stage 2 or Stage 3 complaints.
- 5.42 Tower Hamlets Homes
- 5.43 The most significant increase has been in relation to Stage 3 complaints. 37 of these were in fact single stage parking enforcement appeals following the appeals procedure with the contractor. Following a review by LBTH Corporate Complaints the contractor was advised to modify the way in which they considered the evidence submitted in appeals and improve the quality of responses provided to limit unnecessary

escalations in the appeals procedure. This coincided with changes in legislation to parking enforcement on private land with the introduction of an independent organisation resolving disputes following the appeals procedure. If these parking enforcement complaints are removed from the figures there is a reduction in the number of complaints at Stage 3.

5.44 Stage 3 complaints

5.45 There are a number of issues that are only considered at the final stage of the Corporate Complaints procedure and in this sense the procedure is used as a final appeal. Stage 3 Estate Parking complaints were, in essence, a final stage appeal against vehicle removal, but there is now a statutory appeal process and are no longer considered under the complaints procedure. Challenges to FOI and EIR requests are also considered at Stage 3.

5.46 As indicated earlier in the report, the numbers of Stage 3 complaints increase by 23 to a total of 155 in 2012/2013. There was a fall in the percentage completed in time, but an increase in the number completed on time, with the average response time rising slightly to 18 days per complaint.

Figure 11

Stage 3 Complaints Response Times						
Financial Year	Total Answered	Completed in Time		Answered outside timescale		Average response times (days)
2010/11	129	109	85%	20	15%	17
2011/12	132	114	86%	18	14%	17
2012/13	155	128	83%	27	17%	18

5.47 The rate at which complaints were upheld or partially upheld at Stage 3 was lower in 2012/2013 at 34% compared with 42% in 2011/2012.

5.48 Figures 11 and 12 provide information about the areas in which complaints were upheld and where the greatest increases and decreases are to be found. There are only two areas with noted rises, one being FOI Internal Reviews, and we have seen that this only amounts to 2% of the volume of requests received, and for THH Decent Homes programme. This programme is for a limited period and the variance due to the amount of work undertaken in the period.

5.49 A summary of the issues upheld and partially upheld follows commencing at 5.4.7.

Figure 12

Upheld and Partially Upheld Stage 3 Complaints by Issue

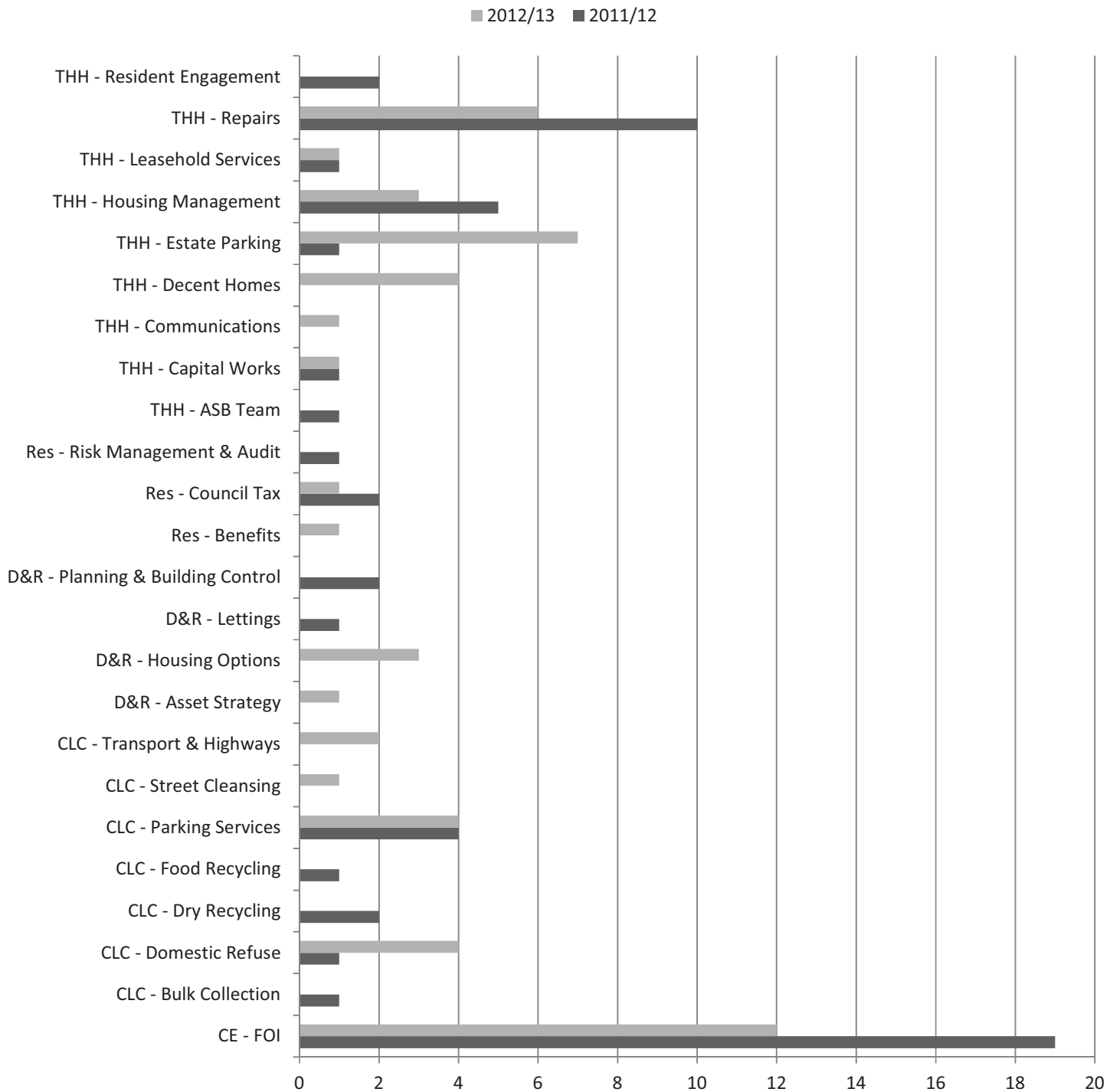
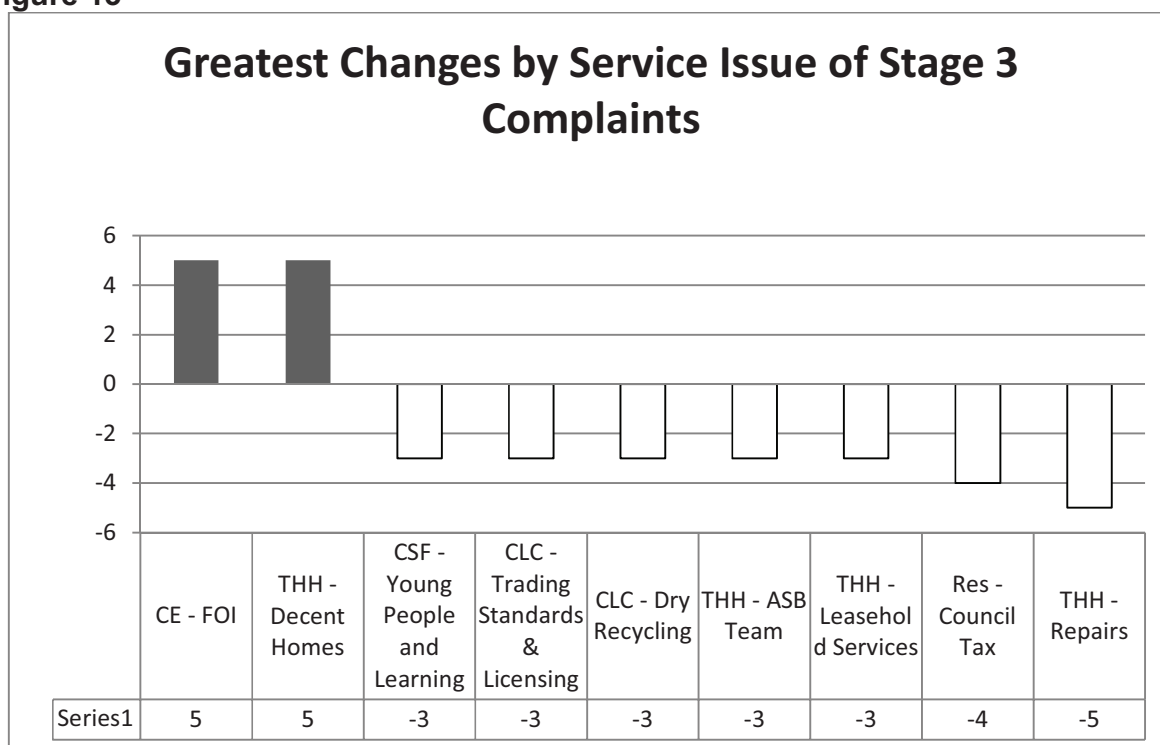


Figure 13



5.50 The Council sometimes makes a compensation payment to a complainant. This will be done in cases where a complaint is upheld and an apology or some other action is considered to be an insufficient remedy. Figure 13 shows a summary of compensation payments made by the Council at Stage 3 during the past three years. This shows a continuing fall in compensation payments, both in the number of payments made and the total value of that compensation.

Figure 14

	Number of Stage 3 cases warranting compensation	Total value of Compensation
2012/13	8	£2,025
2011/12	7	£3,350
2010/11	15	£4,455

5.51 Summary of Key Issues in upheld Stage 3 complaints

5.52 Five complaints about the non-completion of Decent Homes works and the quality of the customer services received from the contractors were upheld. Recommendations were made about improving communications and carrying out final inspections.

5.53 Void works to a THH property were not completed and checks were not carried out on the availability of a gas supply for a cooker. Compensation was paid for the time the tenant did not have use of a cooker and a recommendation was made regarding checking void works in the future.

- 5.54 THH failed to deal with the issue of a shed being erected in a communal area causing an obstruction and possibly being a health and safety issue. Officers were reminded of the need to follow-up work.
- 5.55 The issue of damp within a knock-through property could have been handled better. An agreement was reached to carry out additional works as it was unsure when improvement works would be undertaken for the whole estate.
- 5.56 An unreasonable delay occurred in addressing an issue of water loss and the supply of hot water. Again recommendations were made concerning the importance of ensure prompt action and follow-up is needed.
- 5.57 A complaint concerning the delay in carrying out repairs to an estate road. Recommendations were made concerning the need to identify suitable contractors quicker for specialised work.
- 5.58 A One Stop Shop was closed on a Saturday and an insufficient and incorrect reason given on the web and the notices displayed.
- 5.59 Three complaints concerning repeated failed communal refuse collections were upheld. Recommendations were made regarding improving monitoring of repeated failed collections and finding solutions to access problems in some blocks.
- 5.60 Two complaints about car free developments were upheld due to poor communications and residents were given temporary extensions to keep their permits.
- 5.61 The contractor agreed to replace a refuse bin which they had accidentally damaged during a collection, however this failed to occur as promised. This was resolved by a street officer checking that the replacement had been delivered and offering a face to face apology.
- 5.62 Six Estate Parking Appeals were upheld on the grounds that the Contractor handling the appeals had either not considered all of the evidence correctly or properly taken into account mitigating factors. Advice was given to the contractor on how to handle appeals more fairly.
- 5.63 A PCN was cancelled by PATAS but Parking Services continued to chase payment. An apology was made and Parking Services were reminded of the need to be more vigilant in such cases.
- 5.64 One complaint regarding Council Tax recovery was upheld following the receipt on new information.
- 5.65 An error occurred during a subject access request on a housing application file and not all the information requested was supplied. Checks were made and the missing information provided. Officers were reminded to take more care in the future.

- 5.66 An error occurred in the length of time a homeless person was permitted to stay in bed and breakfast accommodation. Recommendations were made concerning this not reoccurring.
- 5.67 A vehicle was incorrectly removed as a parking suspension sign had been tampered with. Civil Enforcement officer did not check before removal. Compensation offered for what occurred and for the damage caused during the removal process. Officers were reminded of the need to follow procedures.
- 5.68 A complaint was upheld as promised action to address fly-tipping and street littering was not taking place as agreed. This was then remedied
- 5.69 A complaint was upheld regarding how a child had been dropped off from a school bus and handed over to the parents. On this occasion the child was not escorted to the front door and transport escorts are apologised and are fully aware of this requirement.
- 5.70 A benefits complaint was partially upheld as the wrong assessment had been made and the letters from the benefits section were considered to be a little heavy handed. The relevant staff were advised of more appropriate communication.
- 5.71 **Complaints service user profiles**
- 5.72 The complaints service can be accessed by email, in person, phone, post, and web-form. A breakdown of access methods is provided in Figure 15 below.

Figure 15

Breakdown of Stage 1 how complaints are received				
How Received	2011/12		2012/13	
Phone	650	32%	680	30%
In Person	8	0%	8	0%
Post	239	12%	165	7%
Fax	1	0%	1	0%
Email	924	46%	1204	53%
Web	195	10%	216	9%
Total Complaints	2017		2274	

- 5.73 Web and email usage increased again this year, from 56% in 2011/12 to 62% in 2012/13. The corresponding fall occurred in the use of post, from 12% to 7%.
- 5.74 The Council tries to collect equalities data to follow trends and analyse the impact of services on sectors of the community. Collection rates vary and although they are increasing year on year for most strands, the percentage known is not yet high enough to allow meaningful analysis for some strands (e.g. religion and sexual orientation). Improvements in collection rates have been small, if at all, despite follow up emails being sent to request data.

Figure 16 - % of data known for equalities strands

	2010/11	2011/12	2012/13
Age	43%	46%	29%
Disability	47%	48%	27%
Ethnicity	65%	66%	46%
Gender	100%	100%	100%
Religion	32%	32%	23%
Sexual Orientation	28%	28%	19%

5.75 The level of non-response presents challenges in terms of equality analysis. For example, Figure 17 sets out a breakdown of complaints by reference to ethnicity. It is thought that overall the volume of complaints does not vary significantly from the projected Borough population. However, the volume of complaints for which ethnicity is not known still has the potential to mask the true position.” With “Given ethnicity data is only available for less than half of the 2,274 complainants, this dataset is not robust enough to allow any conclusions to be drawn from it.

Figure 17

Stage 1 Complaints by Ethnicity					
	2011/12		Borough Projection	2012/13	
Asian	393	40.3%	41%	476	45.7%
Black	75	7.7%	7%	71	6.8%
Mixed /Dual Heritage	11	1.1%	4%	15	1.4%
White	501	51.4%	45%	468	44.9%
Other	14	1.4%	2%	12	1.2%
Sub Total	975	100%	100%	1042	100%
Declined	130	-	-	118	-
Not Known	893	-	-	1114	-
Total Stage 1 Complaints	2017			2274	

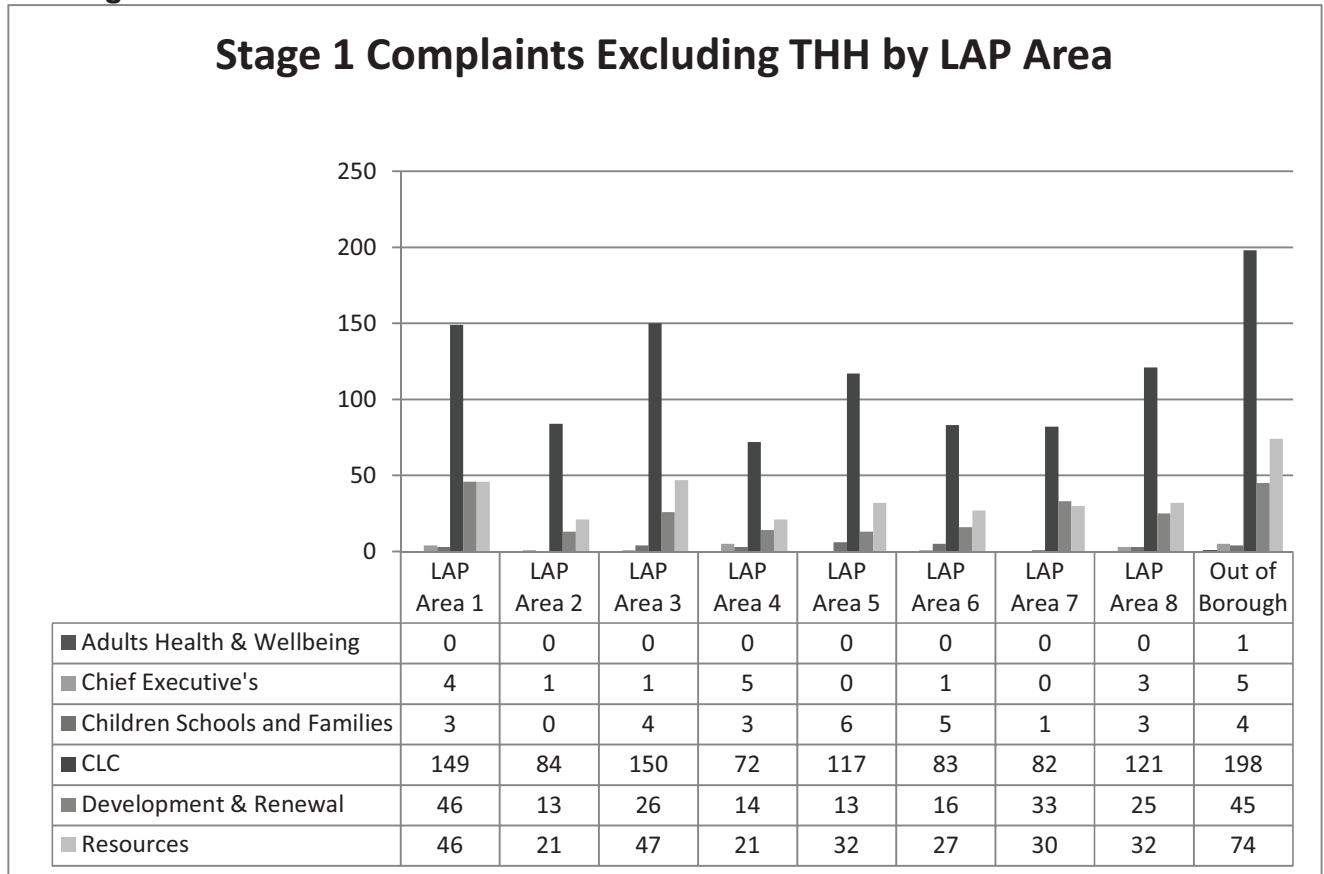
5.76 The one area in which there is complete data, is in relation to gender. The data are summarised in Figure 18 and show that men are somewhat over-represented compared to the expected population position. It is noticeable that the proportion of male complainants taking matters through to the final stages of the complaints procedure is greater than for women. This is the case year after year. It may be difficult to identify the underlying causes for the identified disparity, but consideration can be given to this in the current year.

Figure 18

Stage 1 Complaints by Gender					
	2011/12		Borough Projection	2012/13	
Female	879	43.6%	48%	1051	46.2%
Male	1138	56.4%	52%	1223	53.8%
Total Stage 1 Complaints	2017			2274	

5.77 Figure 19 shows the volume of complaints by LAP for Stage 1, under each directorate. THH is excluded from this data as the volumes are determined by the location of the housing stock managed by them. The figures show there is not one particular LAP area that experiences significantly higher complaints than others.

Figure 19



5.78 It is possible to map the geographical spread of complaints along with other service data to pinpoint hotspots and service issues requiring attention. An example of this type of mapping is included in figure 20 below. Examination of similar maps for each directorate show a similar broad, even spread of complaints. There is no identifiable skew in the distribution of complaints, although service specific reports over shorter time periods may prove beneficial to the given service.

6. ADULTS SOCIAL CARE COMPLAINTS

6.1 Procedure, volumes and timeliness

6.2 The Local Authority Social Services and National Health Service Complaints (England) Regulations 2009, made under the Health and Social Care (Community Health and Standards) Act 2003, set out the process for considering adult social care and health complaints. The key principles require Local Authorities to:-

- consider adult social care complaints once only;
- involve the complainant in agreeing the method and likely timeframe for the investigation;
- establish desired outcomes; and
- provide a unified approach to joint investigations with partner bodies.

6.3 The current statutory complaint procedure came into place for adult social care complaints on 1 April 2009 and can be found on the Council's website. The Council places a strong emphasis on the informal resolution of complaints and in assisting social care teams in effectively managing and resolving complaints.

6.4 Some matters will always be raised direct with the service and resolved without recourse to a formal complaint procedure. In order to capture important data from these interactions, we have produced a pro forma for services to hold their records. A summary of the Locally Resolved concerns is provided below in figure 21. These figures also include concerns made to commissioned providers that require investigation or action to be taken by a Council service. It appears that the locally resolved concerns may address different issues to those raise through the statutory process.

Figure 21

	Statutory Complaints 2012/13	Locally Resolved Concerns June 2012 – March 2013
Access to services	4	0
Challenge decision	22	5
Conduct/competence	14	8
Policy/procedure	1	2
Records/information held	0	0
Service delay/failure	18	23
Service quality	1	22
Other	0	3
Total	60	63

6.5 Complaints are also made to and resolved by a commissioned provider and can be grouped into the following categories:

- A. Home care.
- B. Residential / nursing care.
- C. Day care.
- D. Information, advice and advocacy services.
- E. Supporting People services.

6.6 Provider complaints for home care have been reported to the Transactional Commissioning team through quarterly monitoring returns since 2012/13. Provider complaints for residential and nursing care, day care and information and advice services have started to be reported to the Transactional Commissioning team with effect from 1st April 2013. Information is not available for 2012/13. Information on Supporting People services is not formally recorded, but it is checked by Monitoring Officers during visits². The table below provides a summary of provider complaints for home care over 2012/13:

Figure 22

	Home Care 2012/13
Challenge decision	0
Conduct/competence	6
Policy/procedure	0
Records/information held	0
Service delay/failure	15
Service quality	16
Other	5
Total	42

6.7 The Statutory procedure allows one stage of investigation only, although the form this takes is agreed in the light of the issues raised. A variety of methods have been used, including round table meetings, formal interview and file reviews, and liaison between the service manager and the complainant. Key to resolving matters has been the emphasis on identifying a resolution plan with the complainant.

6.8 Figure 23 below compares the year on year volumes and shows a fall in complaints in 2012/2013.

Figure 23

Volume of Adult Social Care Complaints				
Year	2011/12	2012/13	Variance	
	66	60	(6)	-9%
Total Complaints	66	60	-6	-9%

² This activity also takes place in Transactional Commissioning.

Figure 24

Adults Social Care Complaints by Division															
	2011/12			Variance		2012/13		Not Upheld		Partially Upheld		Upheld		Withdrawn or Referred On	
Commissioning Services	1	3	300%	4	7%	1	25%	0	0%	2	50%	1	25%		
Disability and Health	14	-	-79%	3	5%	1	33%	1	33%	1	33%	0	0%		
Elders	43	-	-81%	8	13%	2	25%	2	25%	2	25%	2	25%		
First Response	0	14	0%	14	23%	3	21%	5	36%	6	43%	0	0%		
Learning Disabilities	3	0	0%	3	5%	0	0%	3	100%	0	0%	0	0%		
Learning Disability	0	6	0%	6	10%	0	0%	4	67%	2	33%	0	0%		
Longer Term East	0	3	0%	3	5%	0	0%	1	33%	2	67%	0	0%		
Longer Term West	0	10	0%	10	17%	5	50%	1	10%	3	30%	1	10%		
OT Services	3	-2	-67%	1	2%	0	0%	1	100%	0	0%	0	0%		
Re-ablement	0	8	0%	8	13%	3	38%	3	38%	2	25%	0	0%		
Resources	2	-2	-100%	0	0%	0	0%	0	0%	0	0%	0	0%		
Totals	66	-6	-9%	60	100%	15	25%	21	35%	20	33%	4	7%		

6.9 The changes in service structure and reporting appear to be responsible for the variances seen in figure 24, in respect of the apparent variances (for example a fall in the numbers for “Elders’ and a rise in ‘Re-ablement’ and ‘Longer Term’.

6.10 The complaints procedure does not specify timescales for completion, as these are agreed at the outset of each case. In order to provide monitoring information we are capturing data of complaints closed within 10 working day brackets. Figure 25 indicates that 55 of the 60 complaints were completed within 20 working days, and at 92%, this is an improvement from last year’s performance of 79%.

Figure 25

Adults Social Care Complaints - By Performance																		
	Totals	Within 10 working days		Within 20 working days		Within 30 Working Days		Within 40 Working Days		Within 50 Working Days		Within 60 Working Days		Within 70 Working Days		Over 70 Days		Average Days to Complete
2011/12	66	36	55%	16	24%	10	15%	2	3%	1	2%	0	0%	0	0%	1	2%	14
2012/13	60	43	72%	12	20%	2	3%	1	2%	0	0%	0	0%	1	2%	1	2%	11

6.11 Figure 25 also demonstrates that the average number of working days to complete was reduced to 11 from 14.

6.12 Services were reorganised during the period reported into the following areas: First response; Re-ablement; and Long Term Response. Some issues of changes and transition are reflected in the increase in complaints received in the second quarter.

Complaints are reported for the year under the user group structure in place at the beginning of the reporting period. The categories set by service user group reflect the old structure and will be updated for 2012/13 to reflect the structure implemented in August 2012. The rate by which complaints are upheld is highest amongst Disability and Health and Elders, and this is the group whose services were most affected by the restructuring.

6.13 Reason For Complaints

6.14 Figure 26 provides a summary of the reasons for which people complained.

Figure 26

Adults Social Care Complaints by Reason														
	2011/12		Variance		2012/13		Not Upheld		Partially Upheld		Upheld		Withdrawn or Referred On	
Access to Service	5	-1	-20%	4	7%	1	25%	2	50%	1	25%	0	0%	
Challenge Assessment Decision	30	-8	-27%	22	37%	10	45%	7	32%	3	14%	2	9%	
Conduct / Competence	8	6	75%	14	23%	1	7%	4	29%	7	50%	2	14%	
Policy / Procedure	1	0	0%	1	2%	0	0%	0	0%	1	100%	0	0%	
Records / Info Held	2	-2	-100%	0	0%	0	0%	0	0%	0	0%	0	0%	
Service Delay / Failure	18	0	0%	18	30%	3	17%	7	39%	8	44%	0	0%	
Service Quality	2	-1	-50%	1	2%	0	0%	1	100%	0	0%	0	0%	
Totals	66	-6	-9%	60	100%	15	25%	21	35%	20	33%	4	7%	

6.15 The number of complaints challenging assessment decisions fell in 2012/13 from the previous year. Complaints concerning delay or service failure remains at the same level. The only rise is in respect of staff conduct and you will see that some of these complaints were upheld. Case summaries of complaints upheld are contained in section 5.4.

6.16 Access and Profiles

6.17 The number of people making adult social care complaints by email has increased significantly in volume and as a proportion of the overall contact methods. The proportion of complaints received by post and telephone fell slightly. This continues the trend noted last year and this development mirrors what is occurring in Corporate Complaints although social care complaints had historically been received predominantly by telephone or post. Figure 27 shows the breakdown.

Figure 27

Breakdown of how Adults Social Care Complaints are received				
How Received	2011/12		2012/13	
Email	19	29%	33	55%
In Person	3	5%	1	2%
Phone	23	35%	12	20%
Post	21	32%	14	23%
Total Complaints	66	100%	60	100%

6.18 Figure 28 below provides a breakdown of adult social care complaints by reference to ethnicity. It indicates that there was an increase in complaints from Asian service users in absolute and percentage terms. Overall, however, the number and proportion of complaints received was not at variance with the proportion of Asian service users. At the same time there were no issues of discrimination reported.

Figure 28

Adults Social Care Complaints - By Ethnicity					
	2011/12		Borough Projection	2012/13	
Asian	15	23%	41%	22	37%
Black	8	12%	7%	3	5%
Declined	0	0%		1	2%
Mixed /Dual Heritage	0	0%	4%	1	2%
Not Known	7	11%		5	8%
White	36	55%	45%	28	47%
Totals	66			60	

6.19 Summary of key issues in upheld cases

6.20 Three complaints about external care providers were upheld and apologies were given for poor care given. The external carers are to be monitored more closely, noting the individual circumstances of each case.

6.21 There were 18 complaints concerning delays in assessments or delays in setting up the care services provisions. As a consequence, timescales are to be monitored and information is to be given to service applicants about the progress of their applications as appropriate.

6.22 Eight complaints were made about delays in reviewing care provision. Apologies were given and the scheduling of reviews is to be monitored.

- 6.23 Six complaints were made about withdrawal of service and each matter was investigated and services restored as appropriate.
- 6.24 14 complaints were made about communication problems and allegations of poor behaviour by social work or care staff. These were responded to as individually appropriate.

7. CHILDREN'S SOCIAL CARE COMPLAINTS

7.1 Procedures

7.2 There is a legal requirement under the Children Act 1989 for local authorities to have a system for receiving representations and complaints by, or on behalf of, people who use social care services and their carers.

7.3 The Children's Complaints Procedure has three stages –

- **Stage 1 Complaints – Initial.** Team Managers are required to provide a written response to complaints within 10 working days. There is a possible extension to 20 working days to allow for a local resolution and where complaints are complex.
- **Stage 2 Complaints – Formal.** Investigations should be completed within 25 working days. However this can be extended to 65 working days in negotiation with the complainant due to the complexity of complaints. An Independent Person is appointed to oversee formal complaints at Stage 2 relating to children and young people. This is a legislative requirement under the Children Act 1989 and ensures that there is an impartial element. The report is passed to the Head of Service and an internal adjudication meeting is held before the report and outcomes are shared with the service user.
- **Stage 3 Complaints – Independent Review Panel.** An Independent Review Panel can review the case in the presence of the complainant and Service Head, and where appropriate make recommendations to the relevant Director.

7.4 Complaint volumes

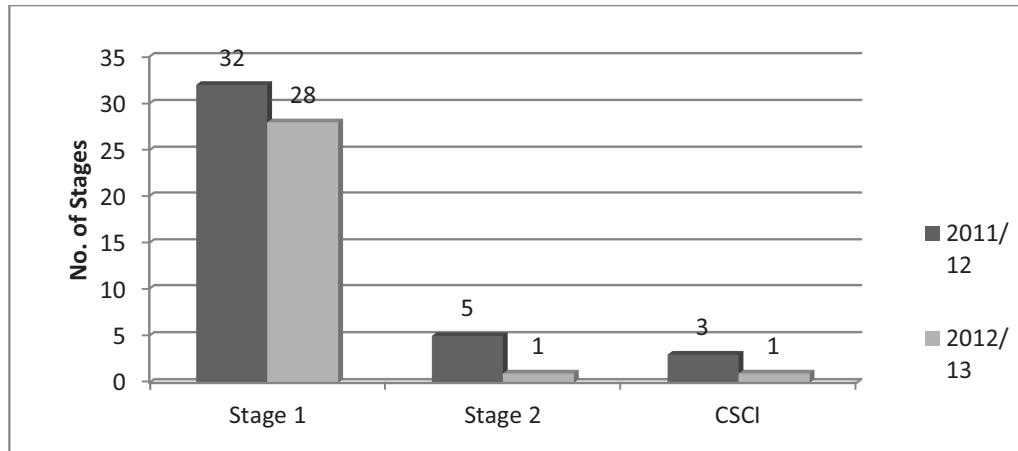
7.5 The number of children's social care complaints fell in 2012/2013 as shown in Figure 29 compared to 2011/2012.

Figure 29

Volume of Children's Social Care Complaints				
Year	2011/12	2012/13	Variance	
Stage 1	32	28	-4	-13%
Stage 2	5	1	-4	-80%
Review Panel	3	1	-2	-67%
Total Complaints	40	30	-10	-25%

7.6 The number of complaints completed at each stage in 2011/2012 is shown in Figure 30 and the number of Stage 2 and Review Panel is only one at each stage.

Figure 30



7.7 Complaint Response Times

7.8 Figure 31 sets out the response times for Stage 1 complaints. It shows that 57% of Stage 1 complaints in Children’s Social Care were answered within the 10 working day time scale, and 82% completed in the extended times scale. This is disappointing compared to last year and efforts are being made to address this. Five complaints were answered outside of the timescales and the average response time was 8 working days.

Figure 31

Stage 1 Children’s Social Care Complaints - By Performance								
	Total	Answered within 10 working days		Answered within 20 working days		Answered outside timescale		Average response times (days)
2011/12	32	21	66%	30	94%	2	6%	6
2012/13	28	16	57%	23	82%	5	18%	8

7.9 There was only one Stage 2 complaint this period and this was responded in 34 working days.

Figure 32

Stage 2 Children Schools and Families Social Care Complaints - By Performance								
	Total	Answered within 25 working days		Answered within 65 working days		Answered outside timescale		Average response times (days)
2011/12	5	1	17%	3	50%	2	33%	47
2012/13	1	0	0%	1	100%	0	0%	34

7.10 Complaints in Children’s Social Care are often complex and the regulations require the Council to appoint an independent person to oversee the investigation. This can create challenges in managing response times. However, the Complaints and Information Team continues to strive to improve this performance and works closely with the Children’s Rights Officer to ensure effective liaison with the young person.

7.11 Complaints by Service

7.12 The areas on which complaints have been recorded at each stage are set out in figures 33 to 35 below.

Figure 33

Stage 1 Children’s Social Care Complaints by Section													
	2011/12	Variance		2012/13		Not Upheld		Partially Upheld		Upheld		Withdrawn or Referred On	
Child Looked After & Leaving Care	12	-5	-42%	7	25%	3	43%	1	14%	3	43%	0	0%
Child Protection and Reviewing	2	0	0%	2	7%	2	100%	0	0%	0	0%	0	0%
Children’s Resources	2	0	0%	2	7%	1	50%	0	0%	0	0%	1	50%
Fieldwork Services	12	2	17%	14	50%	13	93%	0	0%	1	7%	0	0%
Int. Services Children Disability	4	-1	-25%	3	11%	0	0%	2	67%	1	33%	0	0%

7.13 Fieldwork services have received the highest number of complaints at Stage 1 and Stage 2, as is expected. This is due to the potentially contentious nature of the service and the large number of service users.

Figure 34 – Internal review for fieldwork services

Internal Review - Children’s Social Care Complaints by Reason							
	2011/12	Variance		2012/13			
Challenge Assessment Decision	0	1	0%	1	100%	1	100%
Conduct / Competence	3	-3	-100%	0	0%	0	0%
Total Internal Review Complaints	3	-2	-67%	1	100%	1	100%

7.14 Section 7.18 contains a summary of the key issues upheld.

7.15 Figure 35 sets out general reasons underlying children’s social care complaints. It shows that the highest number of complaints in Children’s Social Care remains “challenging assessments decisions” which may result in re-assessment, if it is found that there were issues in the original assessment process.

7.16 Service User Profiles

7.17 Figure 33 shows the volumes of complaints for each ethnic group. The volumes are low and there have been no indications that the complaints have been made following

an experience of discrimination. This compares favourably against the diversity in borough population.

Figure 35

Stage 1 Children's Social Care Complaints - By Ethnicity					
	2011/12		Borough Projection	2012/13	
	Asian	6		19%	41%
Black	2	6%	7%	5	18%
Mixed /Dual Heritage	1	3%	4%	2	7%
White	13	41%	45%	5	18%
Not Known	9	28%		5	18%
Declined	1	3%		0	0%
Total Stage 1 Complaints	32			28	

7.18 Summary of key issues in upheld complaints

7.19 Three complaints received about financial matters which were responded to by paying the young people involved the appropriate amount to compensate them for the financial support lost out on by them.

7.20 Three complaints received about the social worker's communication and relationship with the young person. The allocated social worker was changed where this was requested.

7.21 Two complaints were received about poor communication from the social worker. Apology given as appropriate and matters clarified to the complainant.

7.22 Review Panel Complaints

7.23 The single Review Panel convened in the period addressed a father's concerns that the family did not meet the threshold for social care involvement, and this was not upheld.

8. LOCAL GOVERNMENT OMBUDSMAN (LGO) COMPLAINTS

8.1 The Local Government Ombudsman

8.2 The Local Government Ombudsman is an independent watchdog appointed to oversee the administration of local authorities. The LGO considers complaints (usually) after the complainant has exhausted the internal complaints procedure, or the adults' or children's complaints procedures, as appropriate. The LGO also deals with education matters.

8.3 Set out below are details of the complaints closed by the Ombudsman in 2012/2013, the findings and the Council's response times to new enquiries.

8.4 Complaints Closed by the Ombudsman

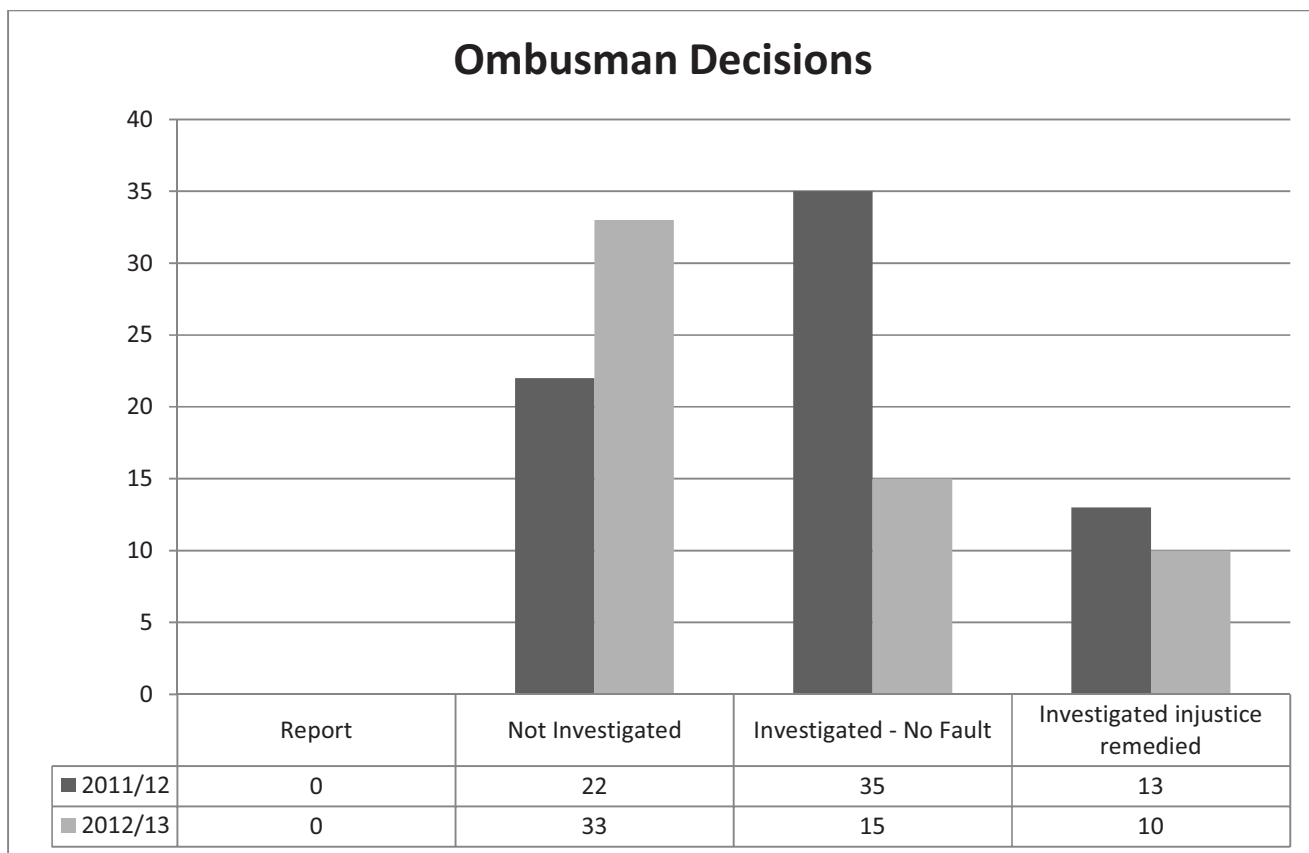
8.5 The Ombudsman introduced new categories for clarifying complaints during 2011/2012. The first three classifications indicate matters that were not investigated. For example, these cases may be determined by considering the information provided by the complainant, or by the Council providing the earlier complaints documentation. The second group records outcomes of complaints investigated by the Ombudsman, and the final category is matters concluding in a formal report. The penultimate classification, Injustice remedied during enquiries is the equivalent of the previous category, Local Settlement.

Figure 36

Complaints Determined By Ombudsman 2012 /13			
Investigation Type	Decision Category	Number of Decisions	
		2011/12	2012/13
Not Investigated	No power to investigate	4	6
	No reason to use exceptional powers to investigate	8	27
	Investigation not justified & Other	10	0
Investigated	Not enough evidence of fault	14	0
	No or minor injustice & Other	21	15
	Injustice remedied during enquiries	13	10
Report	Report	0	0
Total		70	59

8.6 Figure 36 records the decisions made by the LGO and shows there were no findings of maladministration made against the Council.

Figure 37



8.7 Due to the variance in recording categories, Figure 38 focuses on the overall volumes received in the past 3 years and the numbers settled. Whilst the Ombudsman has yet to release comparative figures across all authorities for 2012/13, the proportion settled by Tower Hamlets is some way lower than the national average in past years, which falls at around 23 to 25%.

Figure 38

	Number of Cases Closed	Number where settlement is achieved	Proportion settled
2009/10	99	19 (+ 1 report)	20%
2010/11	63	12	19%
2011/12	70	13	18.5%
2012/13	58	10	17%

8.8 Figures 39 and 40 show local settlements by directorate, and by directorate and division respectively. It is rare for a service to experience more than one settlement, indicating that errors are usually one-off rather than systemic faults. Tower Hamlets Homes have seen a strong improvement in the number of complaints settled.

Figure 39

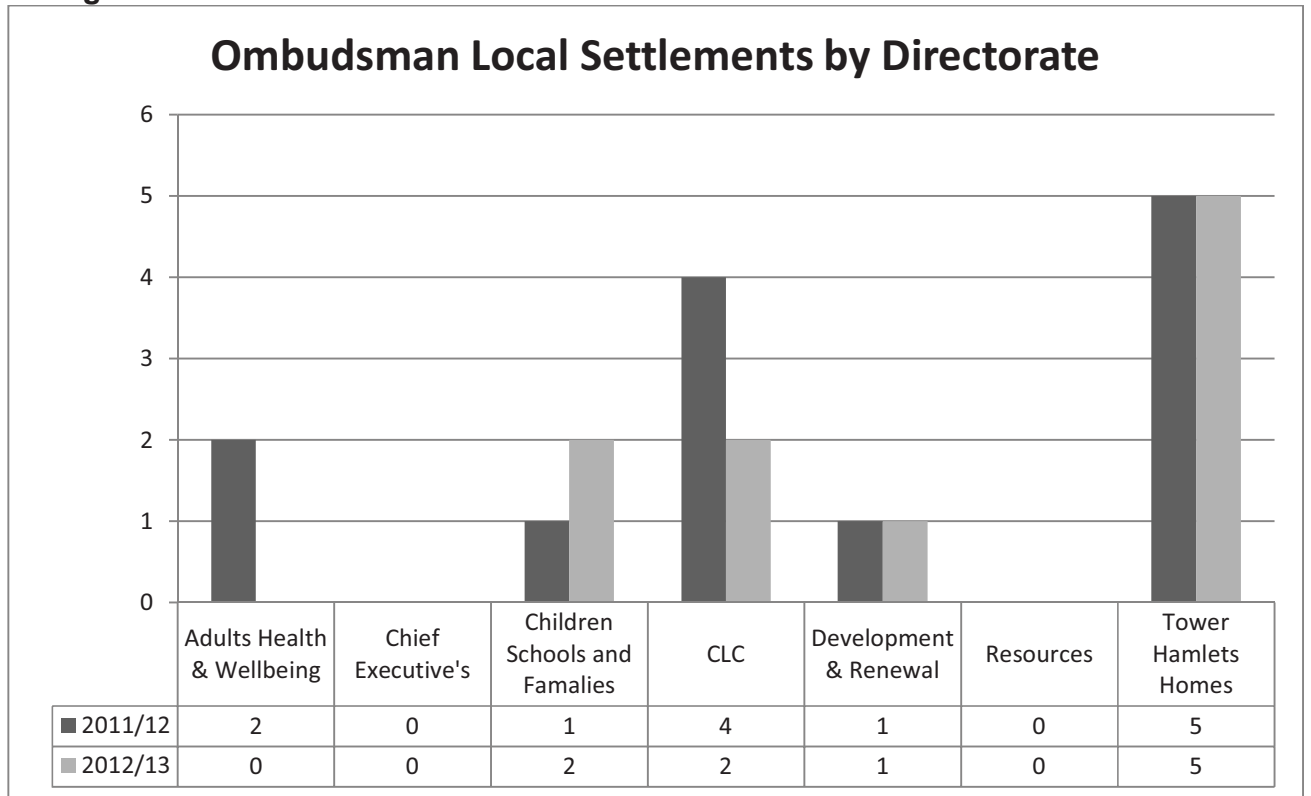
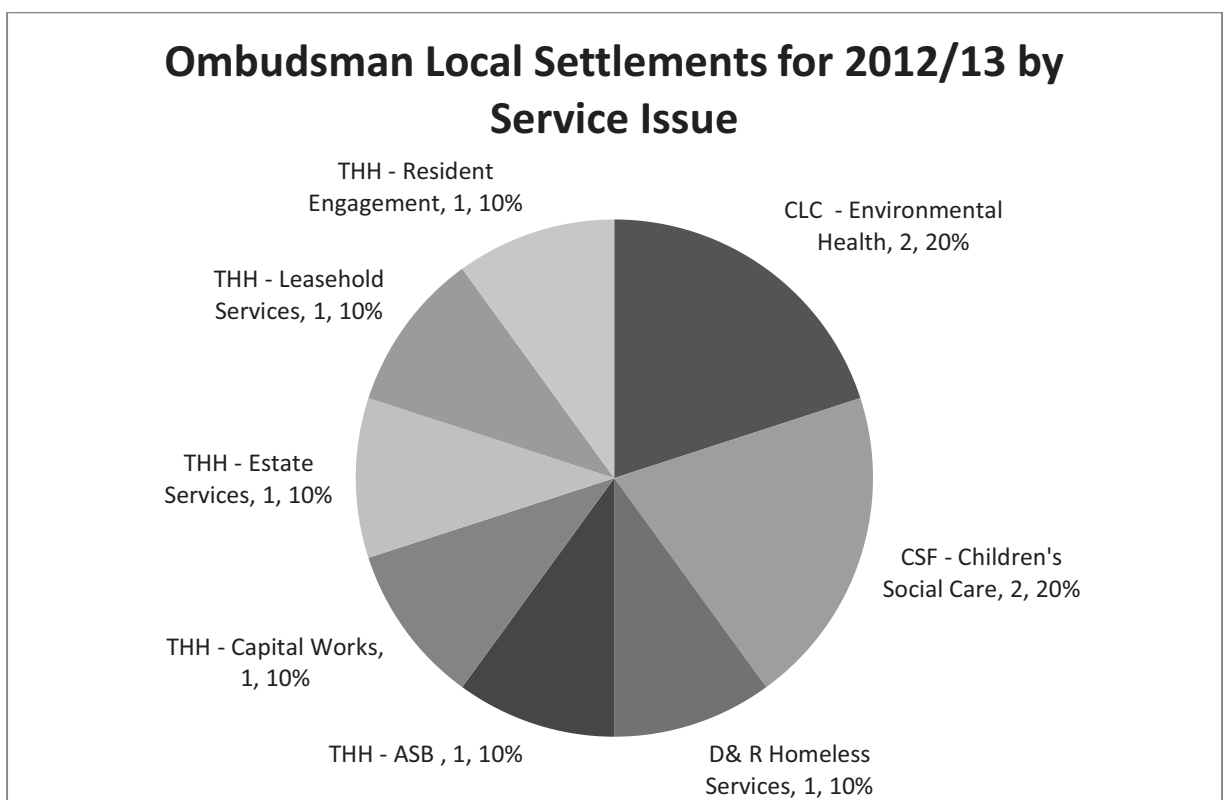


Figure 40



8.9 Summary of Local Settlements

- 8.10 One Children's Social Care complaint, where there was a delay in advising a complainant that he could not make a complaint as the matter was subject to a court decision resulted in an apology for the poor communication and £100 was given as a local settlement.
- 8.11 For one complaint where there was a delay in repairing the heating in a THH property, £300 was given as recompense and an action plan was agreed to resolve the problem.
- 8.12 In response to a Children's Social Care complaint, where the social worker did not deal with the Child Protection case properly, and the wider family were not contacted with a view to supporting the child,. £250.00 compensation was awarded.
- 8.13 Under the Decent Homes Work Programme, THH decoration work was not carried out properly. £75.00 was given in compensation.
- 8.14 During Decent Homes Work involving the refurbishment of a kitchen, THH agreed to carry out some disputed work and a local settlement of £100 given.
- 8.15 When it was established that Noise nuisance from THH tenant was not dealt with promptly, compensation of £250 was given.
- 8.16 Following a delay in assessing a Homeless Person, the applicant was provided with appropriate accommodation. £250 was also awarded.
- 8.17 Apology was given and local settlement of £150.00 following the lack of proper communication about THH major works.

8.18 Response times

- 8.19 The Ombudsman maintains statistics of the time taken for the first response from the initial enquiry, which are published nationally. Tower Hamlets is consistently one of the better performing London Boroughs, responding well under the Ombudsman's 28 day target. The increase in average days is due to two particular cases requiring input from several services. Without these two cases the average days to respond would be 17.6 days. Figure 41 provides details of the Council's response times in the past four years.

Figure 41

	Response Times	
	No of First Enquiries	Average no of days to respond
2009/10	56	19.6
2010/11	38	19.1
2011/12	35	18.5
2012/13	22	22.6

- 8.20 The prompt turn-around time is usually reflected in all directorates, although there have been a few more delayed cases this year and performance can improve in some directorates. Figure 42 provides a breakdown of response times by directorate.

Figure 42

	Number	Days to respond	% in time, Internal target	% in time, Ombudsman target
Adults Health and Wellbeing	2	33	0%	50%
Children Schools & Families	1	21	100%	100%
CLC	2	14.5	100%	100%
Development & Renewal	5	13	80%	100%
Resources	1	26	0%	100%
THH	11	24	56%	91%
TOTAL	22	23	55%	91%

8.21 The Local Government Ombudsman's Annual Review is appended, but does not provide the detailed performance information of previous years..

9. RISK

- 9.1 Risks in relation to both information governance and complaints handling are managed in accordance with the Council's corporate risk management framework.
- 9.2 A complaint may lead to an Ombudsman ruling, judicial review or other legal remedy over justified complaints. The Council is also at risk from spurious or malicious complaints if these are not identified and handled appropriately. These eventualities could result in financial and reputational costs to the Council. The probability of something significant occurring is considered to be low and the impact medium. These risks are owned by the relevant corporate director for each service area.
- 9.3 By way of mitigation, the Complaints process should encourage the earliest possible resolution of complaints. Tracking first Stage complaints through the Siebel database will encourage and support officers to do this. The back-up and co-ordinated working of the Complaints and Information Team, Insurance and Legal Services serve to support decision-making within Directorates on complaint issues. The Council has policies in place on Complaint Handling, Compensation and Redress, and Dealing with Persistent and Vexatious Complainants.
- 9.4 The most significant risk associated with information governance is that the Council might breach its obligations under the Data Protection Act 1998 so as to improperly disclose personal data. The Information Commissioner may impose monetary penalties of up to £500,000 for each such breach. Failure to otherwise meet FOI, EIR or DPA obligations to provide data can result in the Information Commissioner issuing a notice against the Council or a fine being imposed. This is considered to be medium when assessed under the Council's risk framework.
- 9.5 By way of mitigation, audits have been conducted and the Information Governance Framework sets out the Council's policies, procedures and toolkits for managing data effectively. The Complaints and Information Team is actively involved in promoting effective data handling. Training is in place for all staff and security incidents are recorded and monitored. Directorates are being encouraged to carry out their own risk assessments in relation to their records management and information security. And each directorate has completed a paper based asset risk assessment with the outcomes collated. Action to mitigate risk will be subject to on-going assessment.

10. IMPROVEMENT AND DEVELOPMENT INITIATIVES

10.1 External relationships

10.2 Members of the Complaints and Information Team represent the Council on the board of Data Share London, a London Councils initiative. They also participate regularly at Information Security for London, the London Information Rights Forum and the Information and Records Management Society Local Government group meetings.

10.3 As members of the Public Sector Complaints Network (Corporate Complaints), and regional networks for Social Care complaints, the team work with other authorities on key policy and practice issues in terms of complaints handling.

10.4 The team is also the organisation's link point to the Local Government Ombudsman and Information Commissioner's Office, leading on all communication, case management and best practice updates.

10.5 Monitoring Complaints

10.6 Weekly outstanding lists are circulated to Directors and the Chief Executive. Detailed monthly monitoring is also distributed. Quarterly reports on quality issues and service improvements arising from complaints are discussed at the Corporate Management Team and Directorate Management Teams.

10.7 A similar 'due and outstanding' process is being implemented for information requests, and monitoring data included in the quarterly, half yearly and annual reports.

10.8 Changes to Housing Complaints

10.9 The Localism Act move responsibility for housing complaints from the Local Government Ombudsman to the Housing Ombudsman, with effect from 1 April 2013.

10.10 It also introduced a new complaints stage involving consideration by a 'designated person' prior to consideration by the Housing Ombudsman. This is to promote local resolution via an elected member, MP, or tenant panel.

10.11 The team has worked closely with THH to establish processes by which these complaints can be handled and consideration is being given to reducing the number of stages prior to the designate person stage.

10.12 Training has been provided jointly by the corporate team and THH, to members regarding this new role. This training will be repeated.

10.13 Publicity

10.14 The team ensures that complaints publicity is widely distributed to ensure effective access across the community. This includes linking with advocacy agencies and support groups to promote access. In addition the team measure knowledge within the

local community of how to access the procedures to ensure the effectiveness of publicity.

10.15 The complaints procedures for Adults' and Children's Social Care place an increased emphasis on publicity in order to ensure that service users have a voice. The Complaints Team have a role in informing people of their right to complain and in empowering them to use the complaints procedure effectively. To this end the team is engaging with community groups to promote access and have joint publicity with NHS partners for social care.

10.16 Web pages for all the team's activities are currently being reviewed and updated.

10.17 **Effective Learning Outcomes from Complaints**

10.18 Effective complaints procedures can help the whole authority improve the delivery of services by highlighting where change is needed.

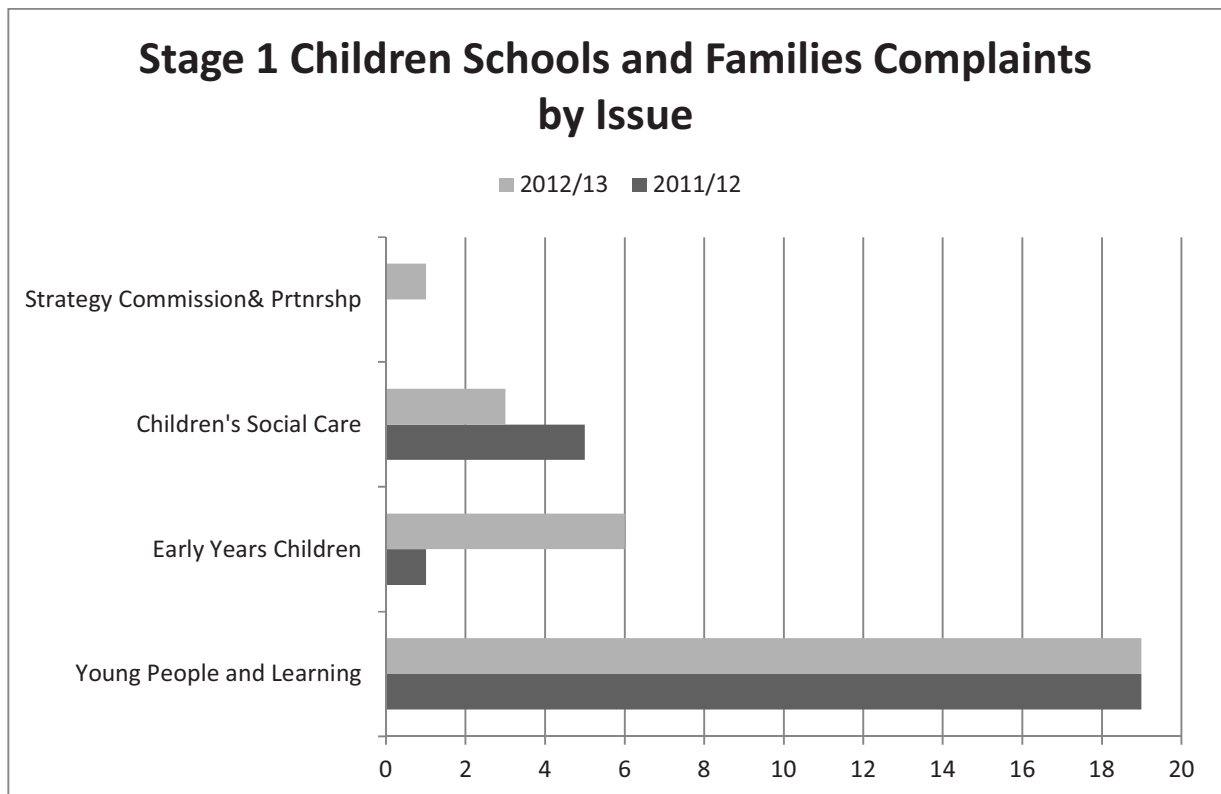
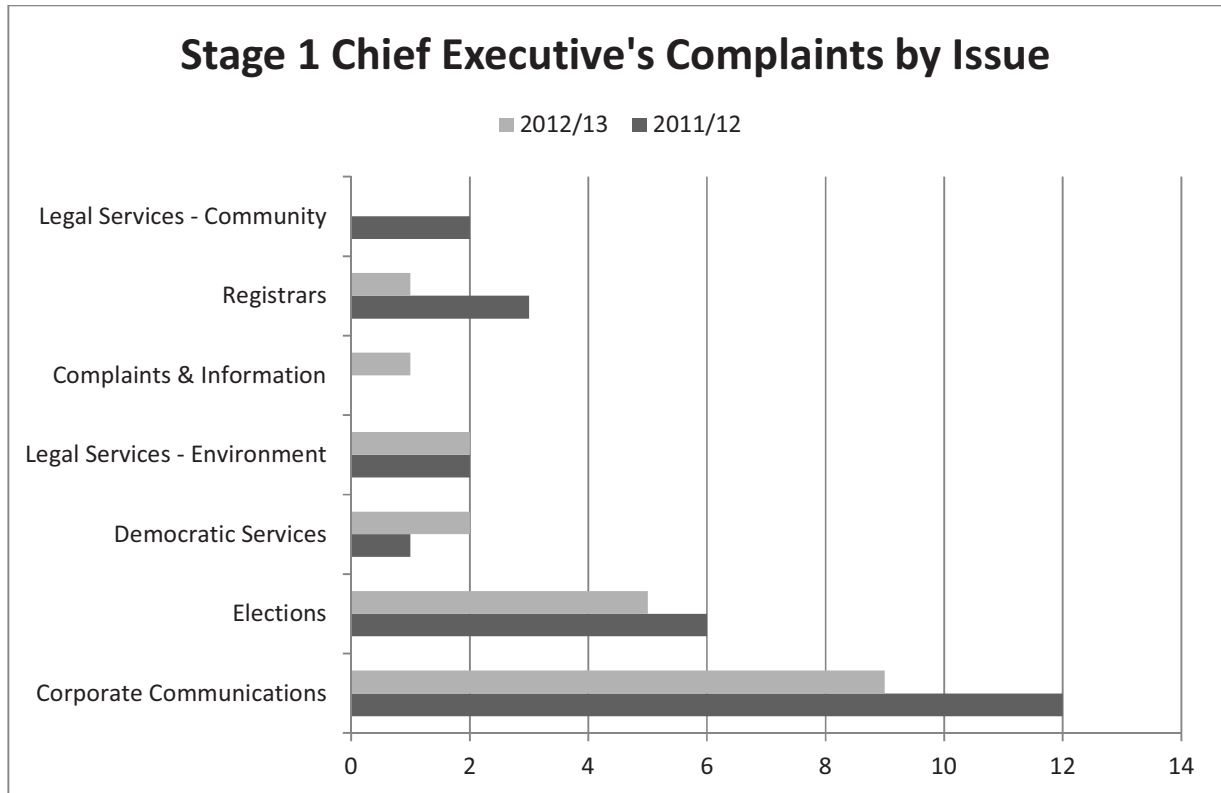
10.19 Where appropriate, lessons learnt from complaints are considered by the Corporate Management Team in quarterly monitoring reports.

10.20 The Complaints Team ensures that lessons learned from complaints are highlighted and fed back to improve service delivery. For example complaints investigations have highlighted the need to review policy guidance, and the summaries of upheld cases are set out in this document. Lessons learned from complaints investigations are also fed back to staff in supervision to enable discussion about improvements, any additional training required and learning points.

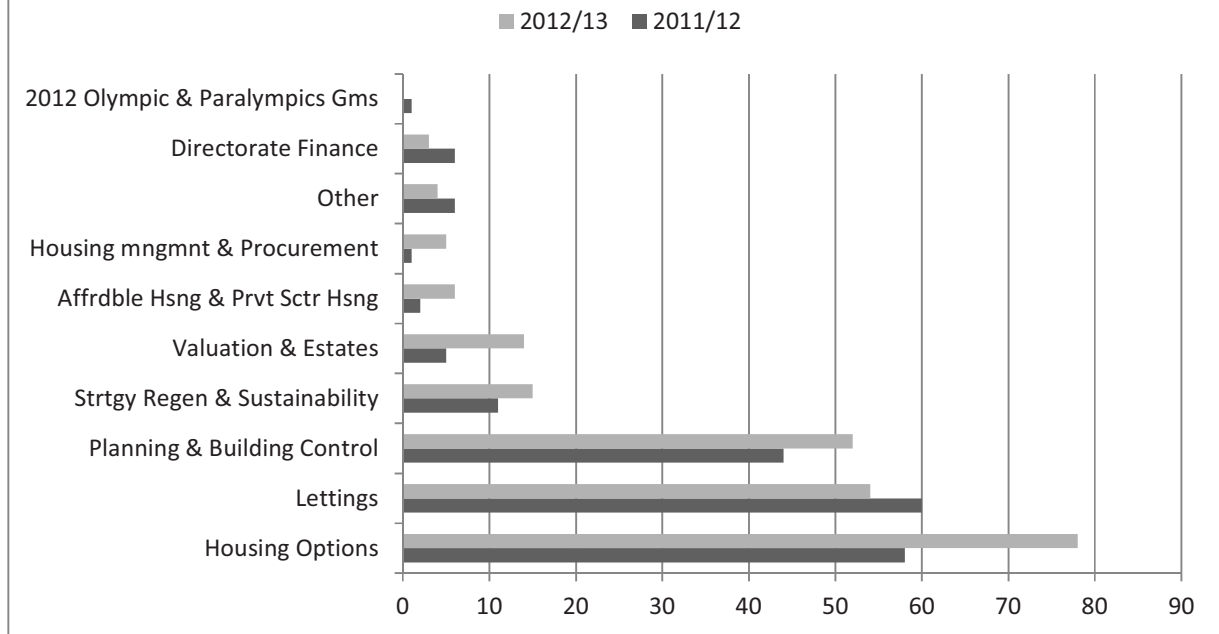
10.21 **Equalities**

10.22 Issues and concerns on equalities issues are explored on an individual case basis, in revising policy and in 2010/11 the service conducted further Equalities Impact Assessments and has a detailed plan to improve access. Any equalities issues raised as part of a complaint are also tracked to identify service issues and improvements.

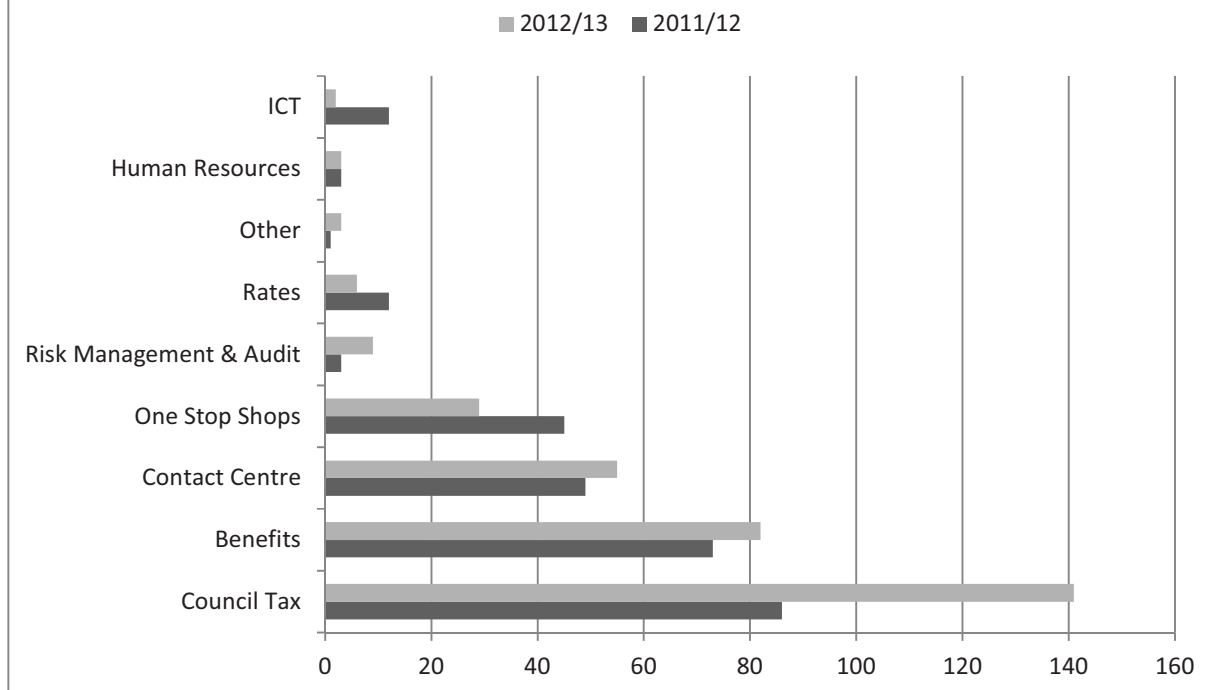
APPENDIX 1 – CORPORATE COMPLAINTS BY DIRECTORATE



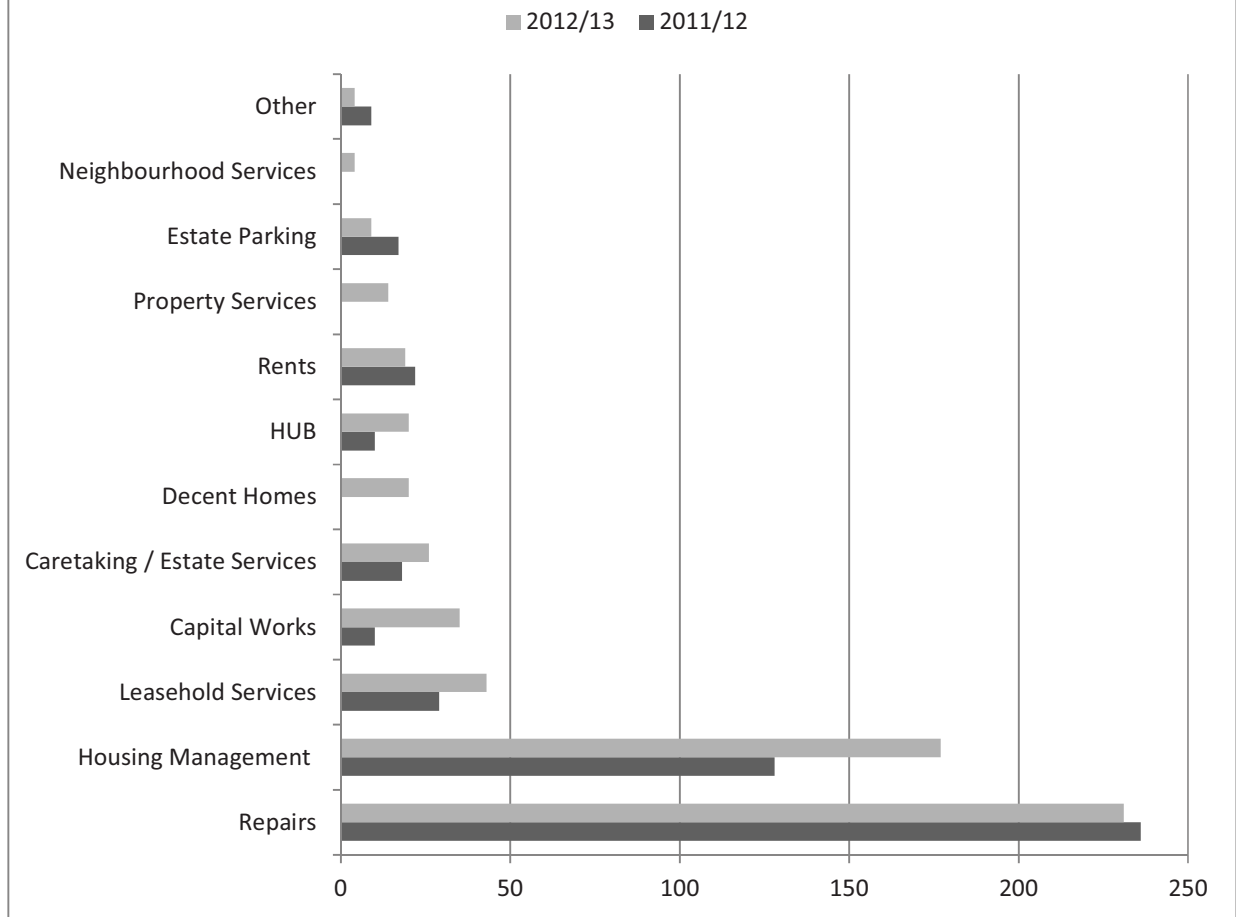
Stage 1 Development & Renewal Complaints by Issue



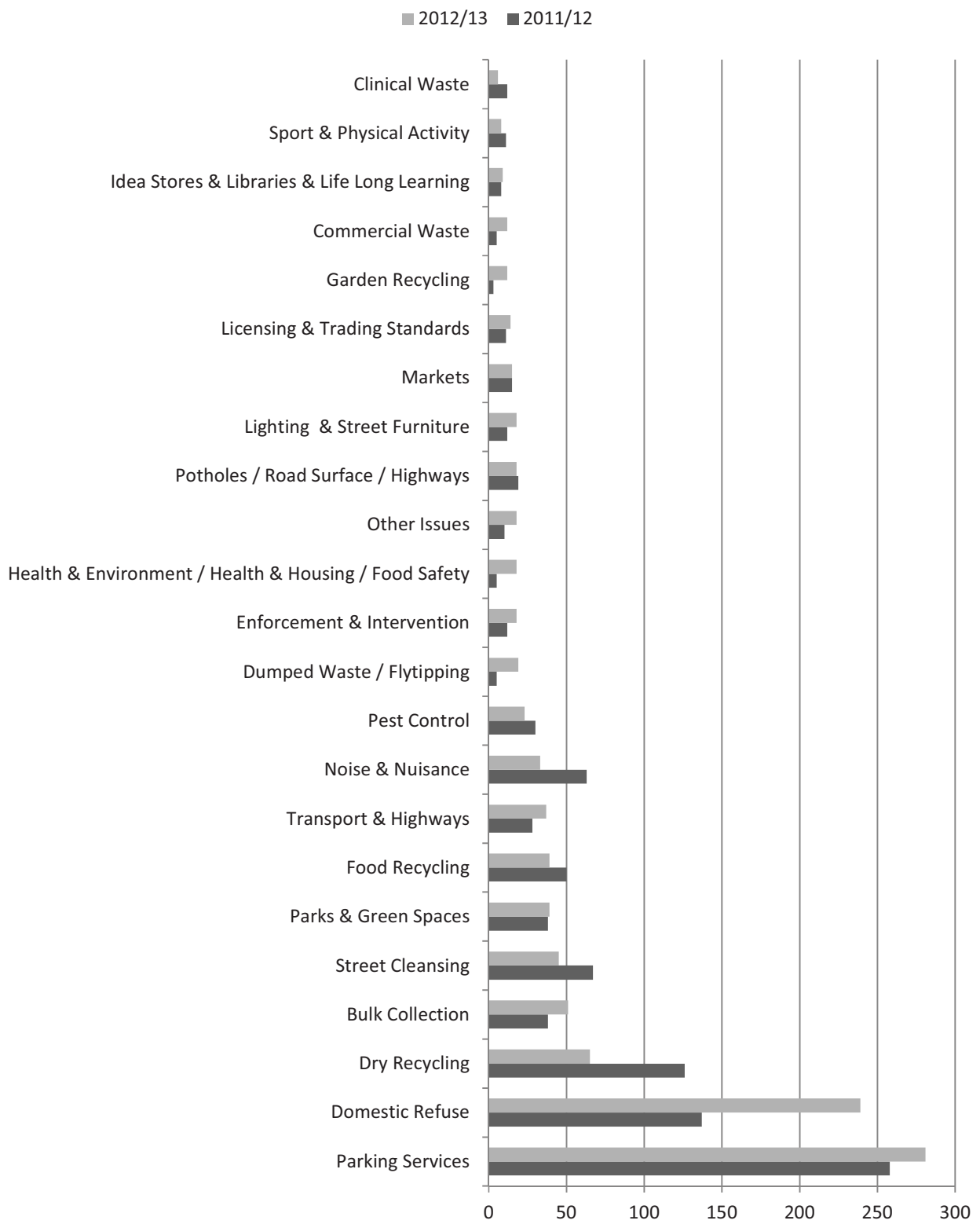
Stage 1 Resources Complaints by Issue



Stage 1 Tower Hamlets Homes Complaints by Issue



Stage 1 CLC Complaints by Issue



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