

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE OVERVIEW & SCRUTINY COMMITTEE

HELD AT 5.30 P.M. ON TUESDAY, 2 AUGUST 2011

**ROOM M71, 7TH FLOOR, TOWN HALL, MULBERRY PLACE, 5 CLOVE
CRESCENT, LONDON, E14 2BG**

Members Present:

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

Other Councillors Present:

Councillor Peter Golds
Councillor Judith Gardiner

Co-opted Members Present:

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

Guests Present:

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Officers Present:

David Galpin – (Head of Legal Services (Community), Legal Services, Chief Executive's)
Michael Keating – (Service Head, One Tower Hamlets)
Sarah Barr – (Senior Strategy Policy and Performance Officer, Strategy Policy and Performance, Chief Executive's)
Chris Naylor – (Corporate Director Resources)
Richard Parsons – (Service Head Procurement and Corporate Programme, Resources)
Peter Hayday – (Interim Service Head, Financial Services, Risk and Accountability)
Antonella Burgio – (Democractic Services)

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Sirajul Islam. Councillor Alibor Choudhury, Cabinet Member for resources apologised that he was unable to attend to present agenda item 8.1.

2. DECLARATIONS OF INTEREST

No declarations of personal or prejudicial interest were made.

3. UNRESTRICTED MINUTES

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

RESOLVED

That the unrestricted minutes of the meeting of the Overview and Scrutiny Committee held on 5th July 2011 be approved and signed by the Chair as a correct record of the proceedings.

4. REQUESTS TO SUBMIT PETITIONS

None received.

5. REQUESTS FOR DEPUTATIONS

None received.

6. SECTION ONE REPORTS 'CALLED IN'

There were no decisions called in from the meeting of Cabinet held on 6 July 2011.

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

The Chair exercised her powers to vary the order of business and accordingly this item was considered following agenda item 8.5.

Two written questions had been submitted under procedural rules and these were tabled at the meeting.

The Chair noted that no additional questions had been brought forward and suggested that Overview and Scrutiny Committee Members encourage Backbencher colleagues to use pre-decision scrutiny to ensure that formal responses were given by Cabinet Members to matters raised through this route.

RESOLVED

That the written questions tabled at the meeting be referred to Cabinet at its meeting on 3 August 2011.

8. REPORTS FOR CONSIDERATION

The Chair **moved** to vary the order of business. The following reports; 'Cabinet Report: Budget 2012/13 - 2014/15 - Resource Allocation and Budget Review', 'Cabinet Report - Contracts Forward Plan' and 'Regulation of Investigatory Powers Act 2000 (RIPA) Annual Report for 2010/11' were considered prior to agenda item 7.

8.1 Cabinet Report: Budget 2012/13 - 2014/15 - Resource Allocation and Budget Review

Chris Naylor, Corporate Director of Resources presented the report circulated at agenda item 8.1 assisted by Peter Hayday, Service Head, Financial Services, Risk and Accountability. The Corporate Director summarised the key areas of the report illustrating to Committee the areas of challenge that would be faced by the Council. These were

- Reduced funding (revenue, support grant and specific Government grants)
- Appraisal of budget pressures and risks (inflation, levels of reserves, demographic and local pressures)
- Closing the funding gap (income, grants and savings)

Cabinet would be asked to: stress-test the proposals. The Committee requested that Overview and Scrutiny be involved in the stress testing of provisions for service delivery during the period of the Olympic Games and proposed that the Authority reviewed measures implemented by past Olympic host authorities.

Action Sarah Barr, Senior Strategy, Policy and Performance Officer

In response to Members' questions, the Committee received the following information:

The Council could fund its priorities from any combination of 3 methods:

- generate additional revenue (e.g. increase fees and charges or raise council tax),;
- reduce costs; or
- On a one-off basis apply some of its revenue reserves.

The extent to which the Mayor's priorities would be delivered in the context of funding reductions and increased borough population would be a decision for Members. The report offered a financial outlook; no further Government

transitional grant funding would be given and figures for 2012/13 had been calculated on the assumption that Council Tax would not be increased.

To achieve savings, the Authority was exploring options for economies of scale, risk sharing and transformational change such as smarter working, use of new technologies, changes to working patterns, generic working, strategic partnership, and the personalisation programme.

Figures for core grants printed at 6.5 of the reports were based on available Government information. Further announcements of changes to funding for 2012/13 would probably not be forthcoming until November/December.

The Council would ensure that there was early consultation on future savings proposals to reduce the risk of judicial challenges on either the adequacy of the consultation or the associated Equality Impact Assessments. Members were reminded of their role in brokering community engagement in this regard.

RESOLVED

1. That the financial outlook and medium term projections as set out in the report be noted.
2. The outcome of the review of the budget forecast for 2011/12; officers' advice on the risk of additional costs fall in 2011/12 – 2014/15 and the medium term financial forecast for 2012/13 – 2014/15 be noted.
3. That the position relating to funding for the capital programme be noted and the recommendation that non-ring fenced capital resources from Government should be treated in the same way as locally generated funding for capital planning purposes be noted.
4. That the position in relation to the Housing Revenue Account be noted.
5. That the approach to be taken to equality analysis of budget decisions in the 2012/13 cycle be noted.

8.2 Cabinet Report - Contracts Forward Plan

Richard Parsons, Service Head, Procurement and Corporate Programmes presented the report circulated at agenda item 8.2.

The quarterly report was a forward plan of supplies and services contracts and capital works and offered Cabinet the opportunity to request further information regarding any of the contracts in the period July 2011 – June 2012 that had not previously been reported.

It was noted that Council had taken a decision to allow Cabinet to apply the test for contracts that fell within the scheme instead of officers.

In response to questions on data provided at Appendix 1, the Committee was given the following information:

- The planned date for invitation to tender “Corporate contract for the provision of technical advisors for construction” (Development and Renewal Directorate) tender; was Autumn 2011.
- Written responses would be circulated to the Committee concerning:
 - the estimated value of the CSF contract for overnight short-breaks lots 1 and 2.
 - the estimated contract value of the Adults Health and Wellbeing, Mental Health Day options

Action Richard Parsons, Service Head, Procurement and Corporate Programmes / Sarah Barr, Senior Strategy, Policy and Performance Officer

Councillor Rachael Saunders joined the meeting at 6.22p.m.

- re-contracting of domiciliary care would be reported separately to Cabinet as there had been some delays in the contract process
- a list of contracts that had and had not been accorded through the procurement process be provided for the Chair

Action Richard Parsons, Service Head, Procurement and Corporate Programmes

In response to Members’ general questions, the following information was provided:

Concerning administration of contract rules to encourage tenders from local suppliers; the Committee was informed that the Council let both small and large contracts. All were considered on their individual merits taking a broad view of contract awarding, looking at how each might best be filled and the potential benefits of awarding to smaller organisations. Additionally, contracts up to a value of £50,000 were ring-fenced to local suppliers and all Council contracts were advertised through the Council’s website and East London Business Place in order to better reach local business. The Council also held an annual suppliers’ forum to which local suppliers were always invited. It was noted that currently the Council was implementing more measures than some of its neighbouring authorities.

Concerning whether the procurement team possessed the skills to know the best products in contractual terms, the Committee was informed that specifications were carefully specified and generated by the purchasing directorates and referred to a category manager within the Procurement Team. S/he worked collaboratively with the directorate stakeholders to develop a plan to determine how best value could be achieved. The plan was

tested in the directorate at the proposal stage to ensure that it was fit for purpose and, when necessary, external expertise was also sought.

Concerning mechanisms in place to ensure that Procurement provided the best services to residents in terms of events, the Committee was informed that Procurement team sought to ensure that its methods were transparent. The process was presently value based but dependant on the nature of contracts, other parameters such as risk, might appropriately be considered. The Authority was looking to review contract monitoring and management in future.

Concerning whether the details of awarded contracts were in the public realm, the Committee was informed that it was not always possible publish data for reasons of commercial confidentiality. However where possible the authority would be happy to publish contract elements that were not captured by such reasons.

The Chair agreed that specific contract questions from Councillor Helal Uddin be submitted through the Chair and that written responses be provided, concerning contract mechanisms in place and how these provided the best services to residents.

Action Chair / Councillor Uddin / Richard Parsons, Service Head,
Procurement and Corporate Programmes

Concerning pressures from companies to renew existing contracts, the Committee was informed that the Council challenged contractors to offer better terms and had also undertaken some re-negotiations.

RESOLVED

1. That the report be noted and
2. That the contract summary at Appendix 1 be noted.

8.3 Regulation of Investigatory Powers Act 2000 (RIPA) - Annual Report for 2010/2011

Reverend James Olanipekun left the meeting at 6.53p.m.

The report was presented by David Galpin, Head of Legal Services, - Community and reported on the Council's covert activities under the powers of the Regulation of Investigatory Powers Act 2000 (RIPA) for the period 2010/11.

In response to Members' questions, the following information was provided:

The inspection undertaken in June 2010 had been unfavourable, primarily by reason of insufficient central control. New procedures had been introduced to

monitor and record activities and additional levels of scrutiny through the Standards and Overview and Scrutiny Committees had been put in place.

Use of RIPA powers in surveillance of touts in Brick Lane had led to enforcement action. The Council had taken action through the Licensing Act 2003 regime which placed responsibility on premises, rather than individual touts.

The Chair noted that the report findings would contribute to the Committee's Directorate Challenge programme. The Chair requested that Overview and Scrutiny Committee continue to receive future RIPA Annual reports.

Action David Galpin, Head of Legal Services – Community

The Chair also requested that Overview and Scrutiny Committee receive reports of all unfavourable external inspections in order scrutinise findings.

Action Sarah Barr, Senior Strategy, Policy and Performance Officer

RESOLVED

1. That the information regarding RIPA activity by the Council in 2010/11 be noted.
2. That the results of inspection in 2010/11 be noted
3. The information about the Protection of Freedoms Bill and its likely consequences be noted.

8.4 Council Motion 12.5 Housing Sales Phases 2 and 3

The motion had been discussed by Council at its meeting on 13 July 2011. The Chair presented the item and proposed that the matter be added to the work programme as a Directorate Challenge item for Development and Renewal Housing Service and that a meeting date be agreed

Action Councillor Ann Jackson/Sarah Barr, Senior Strategy, Policy and Performance Officer

The Chair suspended standing orders and Councillor Gardiner, who was in attendance at the meeting, was permitted to speak on the matter.

RESOLVED

1. That the referred motion be added to the Overview and Scrutiny work programme as a Directorate Challenge session
2. That a date for the Challenge Session in which to consider the referral be agreed.

8.5 Scrutiny Work Programme

A verbal update on progress towards agreeing a scrutiny work programme 2011/12 was presented by Sarah Barr, Senior Strategy, Policy and Performance Officer. A first draft had been drawn up at an Overview and Scrutiny Committee Members' workshop in the previous week.

The following areas of investigation were also discussed:

- Councillor Tim Archer – East End Life and the Asset Strategy
- Councillor Amy Whitelock – links between adults and children's health matters
- Councillor Rachael Saunders - changes to North East London health service provision

The Head of Service encouraged the Committee to focus on how to develop a better insight of the challenges within directorates as well as the Council as a whole and explore the role of Scrutiny Leads in helping meet them. He also recommended that the Committee prioritise its work to ensure that focus was maintained during the municipal year and that resources to support it were used effectively.

RESOLVED

That the verbal update be noted

9. VERBAL UPDATES FROM SCRUTINY LEADS

The following Members presented verbal updates on their work areas:

Councillor Helal Uddin gave a verbal update on lettings policy for mental health needs.

Councillor Amy Whitelock gave a verbal update on the future of Children's Centres, staffing of adventure playgrounds, the CSF budget and service buyback by schools, the Munro Review of children's protection, the Lamb review of personal budgets for children with special educational needs, the youth service re-tender, the rise in child referrals from East London Mental Health Trust, Mr Jake Kemp felt that there could be a much better link between the work of the Scrutiny Lead and the role of the and the Committee's (schools governor) co-opted members.

Action: Mr Kemp and Councillor Whitelock to explore

Councillor Zenith Rahman gave a verbal update on street cleansing reviews and the relationship between and promotion of cultural and religious events.

Councillor Rachael Saunders gave a verbal update on the Dilnott Review, consultation with the community on personalisation, budget matters and

healthcare changes currently proposed and the reporting of hospitals data. She requested that 'Stress Points through Health Issues and Cuts in Services and Changes in Health Primary Care' be added to the work programme of the Health Scrutiny Panel which the Chair agreed.

Action Sarah Barr, Senior Strategy, Policy and Performance Officer

The Chair requested that the Development and Renewal and Adults Health and Wellbeing Directorate Challenge Sessions to explore budget and related issues be timetabled within the work programme

Action Sarah Barr, Senior Strategy, Policy and Performance Officer

Councillor Tim Archer gave a verbal update on the asset strategy, equality impact assessments and East End Life.

RESOLVED

That the verbal updates be noted.

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

No items were tabled.

The meeting ended at 7.52 p.m.

Chair, Councillor Ann Jackson
Overview & Scrutiny Committee