

<b>Committee:</b> Overview and Scrutiny	<b>Date:</b> 19 <sup>th</sup> June 2012	<b>Classification:</b> Unrestricted	<b>Report No.</b>	<b>Agenda Item No.</b> 9.4
<b>Report of:</b> Cllr Ann Jackson, Chair of Overview and Scrutiny Committee		<b>Title:</b> Overview and Scrutiny Committee Annual Review 2011-12		
<b>Originating Officer:</b> Sarah Barr – Senior Strategy Policy and Performance Officer One Tower Hamlets Service Chief Executive’s Directorate		<b>Wards:</b> All		

## 1. SUMMARY

- 1.1 This report provides a summary and review of the Overview and Scrutiny Committee’s work in 2011-12. It forms the draft of a report which will go to full council early in the new municipal year.

## 2. RECOMMENDATIONS

- 2.1 The Overview and Scrutiny Committee is recommended to:
- Consider and comment on this draft annual scrutiny review for full council.
  - Authorise the Service Manager, One Tower Hamlets, to agree the final report before its submission to council, after consultation with the chair and scrutiny leads.

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### LOCAL GOVERNMENT ACT, 1972 (AS AMENDED) SECTION 100D

#### ***LIST OF “BACKGROUND PAPERS” USED IN THE PREPARATION OF THIS REPORT***

Background paper	Name and telephone number of and address where open to inspection
<b>None</b>	<b>n/a</b>

### **3. CHAIR'S FOREWORD – COUNCILLOR ANN JACKSON**

- 3.1 This was the year when Tower Hamlets OSC had to continue to improve on its work and find a way to operate robustly within the mayoral model. We wanted to ensure we promoted the interests and wellbeing of the borough's residents at all times, and attempt to move away from the politically driven agendas that often characterise scrutiny in local government. I believe we've developed a positive and constructive way of working, which means the committee can provide effective and insightful scrutiny of the borough's independent executive mayor.
- 3.2 There was an increased number of call-ins this year which led to a number of interesting and considered debates in meetings. Decisions were often referred back to Cabinet with recommendations that we felt were in the best interests of residents and the organisation. Whilst the committee were sometimes frustrated by the lack of response to these recommendations, we are encouraged by the Mayor's recent commitment to considering these in more detail in the future.
- 3.3 In the year ahead, OSC would like the opportunity to contribute more to policy decisions, being consulted earlier in the policy development process earlier where possible. We hope that our scrutiny review work will also contribute to this process. We hope that more opportunities for non-executive councillors to engage in the decision-making process, and public debate at OSC on the key policy questions will have the additional benefit of reducing the number of decisions called-in...
- 3.4 Our model for the scrutinising the budget worked well and we intend to continue with it this year. I am keen that we develop other methods of scrutinising council services in as cost effective way as possible, improving value for money from scrutiny as well as services. I also want to us to focus on finding more creative ways to engage with residents, encouraging them to interact with OSC and contribute to policy development through our work. My own priority for the year ahead is to think about how the council can support enterprise and employment given the challenging economic circumstances the borough is facing. I hope we can involve residents in finding innovative solutions to these issues.
- 3.5 Finally, I would like to give thanks to officers and OSC members for all their hard work this past year; we achieved a really good outcome as a team, an excellent budget response and gained a lot of expertise in many portfolio areas as well. My thanks to you all.

### **4. INTRODUCTION**

- 4.1 The Overview and Scrutiny Committee (OSC) has a range of functions which enable it to be a key part of local democratic accountability by

holding the executive leadership and other local partners to account. The committee scrutinises key decisions referred by other councillors through the call-in process; reviews all the main strategic documents, and contributes to policy development through the scrutiny review process. One of its most important roles is in reviewing the budget put forward by the executive, ensuring value for money and equality of opportunity for all residents.

- 4.2 2011-12 was a challenging year for OSC. Having already made significant savings in 2010-11 in response to the Comprehensive Spending Review, the council had to make another round of unprecedented cuts to its budget. It therefore became even more important that OSC assist the overall process by scrutinising the savings proposals of individual directorates. The committee dedicated a significant proportion of its time to this task.
- 4.3 At the same time, the implementation from June 2011 of the restructure of the council-wide strategy, policy and performance function meant a reduction in the level of officer support available to OSC. This meant the committee had to review its working methods and the nature of its work programme. For example it was unable to do as many large scrutiny reviews as in previous years.
- 4.4 Developing an effective model for scrutiny in the mayoral model of governance continued to be a key challenge. Members have expressed concern that there is not sufficient public discussion of issues by the executive, which may have contributed to an increase in the number of call-ins.
- 4.5 To help draft this annual review, all OSC members have reflected on those things that have gone well, and those less well, as well as their key challenges and priorities for 2012-13. Their responses have been incorporated in this report.

## **5. MEMBERSHIP**

- 5.1 Reflecting the overall political balance of the council the committee's membership comprised six Labour councillors, and one councillor each from the Conservative, Respect and Liberal Democrat parties.
- 5.2 As well as councillors there are six education co-optee positions on the committee including three positions for parent governors, and one each for the Church of England Diocese, the Roman Catholic Diocese and the Muslim community. In 2011-12 all the positions were filled with the exception of the Roman Catholic Diocese representative.
- 5.3 Six committee members were designated scrutiny leads and assigned a portfolio aligned to each directorate. The committee membership for 2011-12 was as follows:

- Cllr Ann Jackson (Labour), Chair
- Cllr Rachael Saunders (Labour), Vice-Chair and scrutiny lead for Adults Health and Wellbeing
- Cllr Amy Whitelock (Labour), scrutiny lead for Children Schools and Families
- Cllr Helal Uddin (Labour), scrutiny lead for Development and Renewal
- Cllr Sirajul Islam (Labour), scrutiny lead for Resources
- Cllr Zenith Rahman (Labour), scrutiny lead for Communities, Localities and Culture
- Cllr Tim Archer (Conservative), scrutiny lead for Chief Executive's
- Cllr Stephanie Eaton (Liberal Democrat)
- Cllr Fozol Miah (Respect)
- Rev James Olanipekun (parent governor)
- Jake Kemp (parent governor)
- Memory Kampiyawo (parent governor)
- Canon Michael Ainsworth (Church of England Diocese)
- Mushfique Uddin (Muslim community representative)

## **6. OVERVIEW AND SCRUTINY WORK PROGRAMME 2011-12**

6.1 The committee agreed its work programme following a workshop to discuss a range of options. Given the reduction in officer support, the committee agreed to undertake three scrutiny reviews, and then to use different, less resource intensive, methods to investigate other issues of concern and interest.

### *Budget*

6.2 The committee agreed that their main priority was comprehensive and effective scrutiny of the budget setting process. Through discussions with the mayor, the lead member for Resources and corporate directors, and with the support of the Corporate Finance team, a process was agreed. OSC held separate meetings with each of the main service directorates (CLC, AHWB, CSF, D&R) to gain an overview and scrutinise their current budget and financial situation, and look ahead to their priorities and cost pressures for the next few years. Members therefore gained a more informed understanding of which service areas would be able to make savings or generate more income.

6.3 Each of the four meetings were chaired by the scrutiny lead for each directorate and attended by other OSC members. The respective lead member and/or the corporate director, supported by their lead finance officer, presented the following issues for question and debate:

- spending across different service areas, and by different category of expenditure (staff, premises, supplies, third party payments etc);

- cost drivers and pressures, for example, any anticipated increase in demand, impact of Government reforms or cost of supply including inflationary pressures;
- information on third party payments made in relation to commissioned services including the potential to make savings from these contracts;
- details of income, potential to generate further income, and any threats to this including changes to government grants;
- overall risks and opportunities faced by the directorate and any implications for the budget;
- progress against previously agreed savings targets.

6.4 The sessions were productive and by the end of each one, members had a thorough overview of each directorate's budgets, its challenges and the potential to make further savings. They were also keen to ensure the unintended consequences and equality impacts of spending decisions were fully explored. Members have said this greatly improved their ability to scrutinise the budget proposals once they were published, and led to improved public debate at OSC. With specific directorate scrutiny leads OSC was able to focus on key concerns which were submitted in writing for the mayor's consideration, with scrutiny leads pursuing them in detail throughout the process. This then equipped the chair to provide a sophisticated OSC perspective at the council budget-making meetings.

*Children Schools and Families*

- 6.5 Two issues were prioritised in relation to this portfolio – the impact of the recent restructure of children's centres and reports that there had been an increase in referrals to Child and Adolescent Mental Health Services (CAMHS). Cllr Whitelock's scrutiny review provided insight into the children's centres' restructure, and tested the perceptions amongst residents and members about its impact. By engaging senior managers and children's centre staff as well as parents the review was able to make recommendations about communication with members and parents, support for back office functions and staff resilience and proposals for protecting the service from further cuts.
- 6.6 The CAMHS service attended Health Scrutiny Panel to discuss referrals and its performance in general. Although the service was undergoing a restructure and was expected to find savings, members were reassured that performance remains good. The rise in referrals was attributed to a seasonal change at the end of the school year. As this was not unusual it was not a cause of concern to the service and therefore it was decided there was no need for HSP or OSC to investigate further.
- 6.7 Given the challenges facing the Children Schools and Families directorate and the scale of Government reforms in this area, Cllr Whitelock also held regular meetings with the corporate director to monitor pressing issues and provide information scrutiny or input where

appropriate, for example in relation to new academies and free schools, adoption rates and school inspections.

#### *Communities Localities and Culture*

- 6.8 The scrutiny lead for CLC, Cllr Zenith Rahman, identified street cleaning and arts and events for investigation. The directorate had made efficiency savings in the Veolia contract and there had been some changes to street cleaning services. Cllr Rahman therefore visited the street cleaning team and discussed the committee's concerns. She was reassured that there had been no significant impact on service delivery and chose not to pursue the issue further.
- 6.9 Cllr Rahman wished to understand the different cultural events that the Arts and Events team funded and supported. Initially, Cllr Rahman met with the team and received a presentation about their work. This then led to a challenge session, facilitated by the One Tower Hamlets team, which enabled members to explore the ways in which the arts and events service helped promote the principles of One Tower Hamlets: reducing inequality, promoting community cohesion and building community leadership. The session highlighted the wide ranging nature of the team's work and recommendations were about strengthening this work further.

#### *Development and Renewal*

- 6.10 Three key issues were identified as priorities. The first was the new affordable rent model, proposed as part of the Localism Act, which encouraged Registered Providers (RPs) to increase local rents to unaffordable levels. It was clear that a lot of work was being done by the directorate, working with RPs to mitigate the impact in the borough. Cllr Uddin therefore ensured he was regularly updated in his 1:1 meetings with the directorate senior managers. Continued scrutiny of this could form part of further work on welfare reform, already suggested as a key concern for 2012-13 by members and officers.
- 6.11 Secondly, members raised concerns about the council's lettings policies in relation to people with mental and physical health problems and their ability to access appropriate housing. To explore this issue, Cllr Uddin, together with Cllr Saunders, met with the Service Head for Housing Options, Colin Cormack.
- 6.12 Finally, asset management was identified as an area for review. Cllr Islam led a scrutiny review about how to achieve value for money and energy efficiency in the management of the councils' assets. The review's recommendations included proposals for moving towards a corporate landlord model, incentives for users of assets to reduce their energy use and increasing transparency of energy costs.

#### *Adults Health and Wellbeing*

- 6.13 There continues to be considerable change in the health and social care landscape, which Cllr Saunders and the Health Scrutiny Panel

(HSP) have sought to understand and scrutinise throughout this year. HSP is discussed in more detail below, but the focus in relation to adult social care was to look at the engagement and voice of service users in the commissioning of services. Cllr Saunders therefore led two different pieces of work to explore this. The first was held at Toyne Hall and service users, the groups which represent them, and other stakeholders were invited to discuss the changes in social care, particularly personalisation, and the extent to which service users felt engaged in the process. The outcomes were presented at OSC in March 2012, and will inform the health scrutiny work programme for 2012-13.

- 6.14 The second piece of work mapped all consultation and engagement activities in relation to adult social care to understand any issues or gap. Cllr Saunders met officers from the directorate and the One Tower Hamlets team and discussed the challenges and opportunities presented by the current complex model of consultation and engagement. They found that the system was dependent on feedback from formal groups and organisations known to the council but it was more challenging to gather the views of a broader range of people, particularly when considering services which are not based in specific buildings. Scrutiny's role in challenging the effectiveness of consultation and engagement mechanisms was discussed by HSP in April 2012 and it was agreed to consider incorporating this into the work programme for 2012-13. This could also include scrutiny of patient involvement structures of local health providers such as Barts Health NHS Trust.

#### *Chief Executive's*

- 6.15 Cllr Archer explored the costs associated with the production of East End Life (EEL) through meetings with the Head of Communications, Takki Sulaiman, and corporate finance. Cllr Archer considered the production budget for EEL and the income and expenditure assumptions the budget is based on. The costs and benefits of EEL were then considered in relation to the relevant law and guidance including the Code of Recommended Practice on Local Authority Publicity.

#### *Resources*

- 6.16 Although the budget was the key scrutiny issue, as discussed above, Cllr Islam also identified the continuing implementation of the workforce to reflect the community policy as a priority. He met with the lead member and officers responsible and agreed to collaborate with the current review and refresh of the strategy.

#### *Call-ins*

- 6.17 There was an increase in the number of call-ins with ten compared to five in 2010/11. The following reports were called-in:
- East End Life Review
  - Mela: Transfer to community management

- Recording and webcasting of council meetings
- Victoria Park Live Site contract
- Olympic Games parking and traffic management
- Housing stock options appraisal
- Corporate and commercial events in parks
- New partnership structures
- Statement of community involvement
- Youth services delivery

Whilst members agreed that the call-in process led to interesting and constructive discussions, in public, about important issues, the committee felt they had a limited impact on the executive decision-making process. Of the 10 call-ins, 9 were referred back to Cabinet for reconsideration, but no decisions were reversed, with limited alternative or mitigating actions taken on board which can be frustrating for OSC members.

- 6.18 In May Cllr Jackson met the mayor to discuss these concerns. They agreed to amend the process to allow the mayor and his office more time to consider the alternative actions and his response at Cabinet. Whilst the mayor may not want to reverse the original decision, he may wish to take on board some of the comments and suggestions made by OSC.

#### *Policy Framework*

- 6.19 The committee plays an important role in scrutinising policy framework items, making comments and recommendations in relation to such items before they go to Cabinet and then full council. The committee considered four items:
- Open Spaces Strategy
  - Planning Obligations Supplementary Planning Documents
  - Enterprise Strategy
  - Community Safety Plan

#### *Scrutiny 'spotlights' and presentations at meetings*

- 6.20 The committee were able to scrutinise and comment on a range of key policy and service issues through specific presentations and discussions, as well as the regular scrutiny 'spotlights', question and answer sessions with the mayor and lead members, senior officers and partners. In 2011-12 the committee heard from the following:
- lead member and Corporate Director for the Resources directorate on the upcoming Future Sourcing project which has now begun;
  - lead member and Corporate Director for Children Schools and Families on education and attainment and the new Children and Families Plan;
  - Service Head for One Tower Hamlets on the Equality Act 2010 and the new Public Sector Equality Duty;
  - Borough Commander on local crime and policing issues;



- Transport for London on their planning for the Olympics and local impacts.

*Other regular items*

- 6.21 The committee receives a series of regular reports which support its performance management function and provide an overview of council activities. These are an important source of information for the committee which inform future work planning. These reports include:
- Complaints and freedom of information request report, received six monthly;
  - Strategic performance and corporate revenue and capital budget monitoring report, received quarterly;
  - Annual residents survey results
  - Regulation of Investigatory Powers (RIPA) reports, received quarterly;
  - OSC tracking report to provide progress against previous scrutiny review recommendations.

## **7. HEALTH SCRUTINY PANEL 2011-12**

- 7.1 Given the scale and pace of ongoing changes in the health sector, Health Scrutiny Panel faced a significant challenge in understanding what these will mean for local service provision. HSP therefore decided to keep a watching brief on the whole sector, focusing particularly on the ways in which councillors and residents can influence service development.
- 7.2 One of the most significant changes was the merger of the local NHS trusts: Barts and The London, Newham University Hospital and Whipps Cross. As details of the proposed merger appeared HSP members attended a series of stakeholder workshops which explained the drivers and the impact for residents. On three occasions senior managers from Barts and The London NHS Trust came to HSP to address concerns about the lack of consultation and engagement with residents and the impact on the quality of provision following such a large reorganisation. HSP considered other important changes in the health sector including:
- the development, role and priorities of the new Clinical Commissioning Group for Tower Hamlets;
  - the merger of Tower Hamlets Primary Care Trust with other boroughs to form NHS East London and the City and more recently, NHS North East London and the City;
  - the development of the Health and Wellbeing Board, its relationship with HSP and its engagement sub-group;
  - the transition of the public health function to the local authority;
  - the development of Healthwatch, locally and nationally.
- 7.3 The continued focus on structural change meant there was less time to consider individual health issues. However, in addition to the adult

social care issues highlighted above, the Panel also discussed the following:

- The Commissioning Strategic Plan for Tower Hamlets, produced jointly by NHS East London and the City and the Clinical Commissioning Group.
- The Quality Accounts for the newly formed Barts Health NHS Trust, Mildmay Hospital and the East London Foundation Trust.
- A presentation from the Care Quality Commission on its role in the local health and social care landscape and the ways in which they could work with HSP.
- The Joint Strategic Needs Assessment, a key document produced by Public Health which sets out current need in the borough and makes a series of recommendations.
- An overview of local sexual health services

7.4 Finally, as part of the work to consider how residents can influence decision making in relation to local health and social care services, HSP co-hosted a health promotion and consultation event for residents of LAPs 5 and 6, organised by Tower Hamlets Involvement Network and held at the Burdett Neighbourhood Centre. The key objective was to consult service users about specific local health needs by discussing their experiences of health services. A report went to HSP in January and OSC in March 2012.

## **8. CONCLUSIONS AND LOOKING AHEAD TO 2012-13**

8.1 Feedback from OSC has indicated a broad agreement that, despite the challenges, 2011/12 has been a productive year with good quality debate on a broad range of issues. Allocating portfolios by directorates has enabled scrutiny leads to build up expertise and relationships with officers which should continue to improve the impact of scrutiny on the council's development.

8.2 In identifying priorities and challenges for the year ahead, members emphasised how important it will be for OSC to hold the mayor to account effectively and hope they will have more opportunities to discuss issues with him directly at OSC meetings in the new municipal year. The proposals outlined above in relation to call-ins, and the mayor's stated commitment to working with OSC, should hopefully lead to a more constructive relationship with the executive.

8.3 Members are also keen that OSC engage residents more and its work is publicised more widely. This could be done through different channels including the media, meetings and events around the borough as well as encouraging more residents to attend OSC meetings at the Town Hall. As part of its work programming process OSC will consider more creative ways of engaging members.

- 8.4 For 2012-13 a variety of issues and topics have already suggested by both members and officers for consideration by OSC and HSP when they agree their work programmes. These include:
- The Partnership's response to welfare reform, focusing on innovative solutions for mitigating its impact and its impact on child poverty
  - Olympics legacy
  - Merger of CSF and AHWB
  - Educational attainment post-16
  - Transition of Public Health to the local authority
  - Availability of funding for community organisations, including allocation of mainstream grants.
  - Prostitution and partnership working to tackle the issue
  - Community asset management and energy efficiency
  - Opportunities presented by the Localism Act
  - The scope and development of the Health and Wellbeing Board
  - Use of the New Homes Bonus
  - Impact of new Police commissioning model
  - Cost and role of Mayoral advisors
  - Monitoring the ongoing impact of the Barts Health merger

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

- 9.1 Article 6.03 (d) of the council's constitution provides that the Overview and Scrutiny Committee must report annually to full council on its work. The report submitted to council following this consideration will fulfil that obligation.

## **10. COMMENTS OF THE CHIEF FINANCIAL OFFICER**

- 10.1 This report provides a review of the Overview and Scrutiny Committee's work in 2011-12. 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.

## **11. ONE TOWER HAMLETS CONSIDERATIONS**

- 11.1 Reducing inequality, promoting community cohesion and building community leadership are all central to the work of the Overview and Scrutiny Committee. A number of pieces of work raised specific equalities issues including scrutiny of the budget, the scrutiny review of children's centres and the work to map consultation and engagement with service users in adult social care.

## **12. RISK MANAGEMENT**

12.1 There are no direct risk management actions arising from this report.

**13. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

13.1 The content of this report has no implications for a greener environment

**14. EFFICIENCY STATEMENT**

14.1 The Overview and Scrutiny Committee contributes to the efficiency of the council, particularly through its scrutiny of the budget process where the committee ensures services are achieving value for money.