

**LONDON BOROUGH OF TOWER HAMLETS**

**MINUTES OF THE OVERVIEW & SCRUTINY COMMITTEE**

**HELD AT 7.01 P.M. ON MONDAY, 20 JANUARY 2014**

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

**Members Present:**

Councillor Motin Uz-Zaman (Chair)  
Councillor Rachael Saunders (Vice-Chair)  
Councillor Stephanie Eaton  
Councillor Abdal Ullah  
Councillor David Snowdon

**Co-opted Members Present:**

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

**Guests Present:**

Councillor Alibor Choudhury – (Cabinet Member for Resources)

**Officers Present:**

Kate Bingham – (Service Head, Resources, Education Social Care and Wellbeing)  
Chris Holme – (Acting Corporate Director - Resources)  
Ann Sutcliffe – (Service Head Strategic Property, Development and Renewal)  
Stephen Adams – (Finance and Resources Manager, Communities Localities & Culture)  
Agnes Adrien – (Team Leader, Enforcement & Litigation, Legal Services, Chief Executive's)  
Andy Bamber – (Service Head Safer Communities, Crime Reduction Services, Communities, Localities and Culture)  
Robin Beattie – (Service Head, Strategy & Resources & Olympic Impact, Communities Localities & Culture)  
Mark Cairns – (Senior Strategy, Policy and Performance Officer)  
Dave Clark – (Acting Service Head Resources, Development and Renewal)  
Ekbal Hussain – (Financial Planning Manager, Chief Executive's and Resources)

Frances Jones	– (Service Manager One Tower Hamlets, Corporate Strategy and Equality Service, Chief Executive's)
Paul Leeson	– (Finance Manager, Development & Renewal)
Ruth Ebaretonbofa-Morah	– (Head of Financial Planning & Development)
Graham White	– (Interim Deputy Head of Legal Services)
Matthew Mannion	– (Committee Services Manager, Democratic Services, Chief Executive's)

## 1. APOLOGIES FOR ABSENCE

Apologies for absence were received from:

- Mayor Lutfur Rahman
- Councillor Rabina Khan, Cabinet Member for Housing

The Chair **Moved** and it was

### **Resolved**

That the apologies for absence be received and noted

#### **Action by:**

Matthew Mannion (Committee Services Manager)

## 2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTEREST

No declarations of Disclosable Pecuniary 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 7 January 2014 be approved and signed by the Chair as a correct record of the proceedings subject to the following correction being made:

That under Item 3 – Unrestricted Minutes the second bullet point to read:

- He was disappointed that the Mayor had again given his apologies for the meeting and he intended to invite the Mayor to the next ordinary meeting of the Overview and Scrutiny Committee on 4<sup>th</sup> February 2014.

## 4. REQUESTS TO SUBMIT PETITIONS

No petitions were received.

## **5. UNRESTRICTED REPORTS FOR CONSIDERATION**

### **5.1 Reference from Council - Executive Mayor's Car**

The Committee considered the report regarding the 'Executive Mayor's Car', discussion of which had been deferred from the meeting held on 7 January 2014 due to the late presentation of requested information. Councillor Alibor Choudhury, Cabinet Member for Resources, and Chris Holme (Interim Corporate Director, Resources) were present on behalf of the Administration to answer questions from the Committee.

The Chair thanked officers for providing the information set out in the report and stated that this would help the Committee come to a view as to the decision making process that led to the Executive Mayor's Car being acquired.

However, the Chair explained that a key issue the Committee had been asked to investigate related to whether the car was being used appropriately. In particular, the Committee had requested the Mayor's and driver's diary sheets in order to determine the number and nature of the events that the Executive Mayor had attended and to also determine whether these were events that should have been attended by the civic Speaker as set out in Article 5 of the constitution. Members were concerned to ensure a proper separation of the Executive and ceremonial functions of the Council.

Mr Holme and Councillor Choudhury reported that the requested timesheet information was not available at this time.

The Chair and a number of Members of the Committee expressed their frustration that the information was not available and, in particular, that local residents gave up their free time to serve as Co-opted Members of the Committee but they were then unable to fully examine the issues before them. Graham White (Interim Deputy Head of Legal Services) undertook to try and determine what information was available that could be presented to the Committee Members in time for the next meeting at which this issue was discussed.

Members also requested that, should officers not be able to secure the information, that Freedom of Information requests be prepared to request the relevant timesheets.

At the end of the discussion, the Chair explained that, despite that lack of some necessary information, it was nevertheless important that a report be prepared for reference back to Full Council. He stated that he would circulate his suggestions to Members of the Committee and that the reference back to Council would then be formally considered at the Overview and Scrutiny Committee meeting on 4 March 2014. However, he confirmed that further attempts to secure the additional information must also be made.

**Resolved**

1. That the Chair of the Overview and Scrutiny Committee be authorised to prepare a draft reference report back to Council on the issues discussed above.

**Action by:**

Graham White (Interim Deputy Head of Legal Services)  
Mark Cairns (Senior Strategy Policy and Support Officer)

**5.2 Reference from Council - Watts Grove Depot Project and financial mechanisms for Dame Colet House and Poplar Baths projects - Draft OSC report to Council**

The Chair introduced the Committee's draft feedback report to Full Council following the Committee's previous discussions on the Watts Grove Depot and related issues. He highlighted a slight amendment in the first bullet point under 2.0 where the third sentence should read: A partnership with an RP, or another more economically viable alternative model, would have been a better option. He explained that, if the Committee agreed the report, it would be presented to Full Council on Wednesday 22 January 2014.

The Chair **Moved** the recommendation to agree the report.

**Resolved:**

1. That the report be agreed and submitted to Full Council on 22 January 2014.
2. That the Overview & Scrutiny Committee recommends that the Council endorses the findings of the report, and that the Mayor and Cabinet members act accordingly.

**Action:**

Matthew Mannion (Committee Services Manager – to submit the report to Council)

**5.3 General Fund Capital and Revenue Budgets and Medium Term Financial Plan 2014-2017**

The Committee considered the report titled 'General Fund Capital and Revenue Budgets and Medium Term Financial Plan 2014-2017' that had been presented to Cabinet on 8 Cabinet 2014 and had also been initially considered at the OSC meeting on 7 January 2014. Councillor Alibor Choudhury, Cabinet Member for Resources, and Chris Holme (Interim Corporate Director, Resources) and officers from all departments were present to answer questions from the Committee.

Chris Holme provided a summary presentation to the Committee, he reported that:

- The savings requirements due to the reduction in the government's revenue support grant were a significant challenge for the Council.
- The grant was being cut by 40% between 2013/14 and 2015/16 and then by a further 20% between 2015/16 and 2016/17.
- In addition to the support grant reduction there were further changes such as a reduction in the New Homes Bonus.
- Most reductions had been correctly anticipated but the Government's Autumn Statement had resulted in an unexpected ending of the crisis and support fund grants of £1.7 million a year (£1.4 million in grants and £300k towards administration costs) and a few other changes which resulted in a net additional loss to the Council of around £1 million per year.
- There would consequently be an updated Budget report presented to February Cabinet where the changes would be set out in more detail but the overall savings assumptions were unaffected.

Councillor Alibor Choudhury concurred with Mr Holme's introduction and also highlighted that the Council had a balanced budget proposed for 2014/15 and so no further savings needed to be identified for that period but that significant new savings would be required after that.

The Chair opened the item up for discussion and the Committee explored a number of issues to which they sought officer responses, including:

- The Council's strategy for using its reserves. *It was explained that the reserves would be used to smooth out the impact of the grant cuts but that the Council was committed to maintaining a minimum reserve of around 5-7% of overall spend as that was considered good practice.*
- On why there had been a significant increase in Third Party Payments and what they were for. *Chris Holme promised to provide a written response but explained that in many cases it would be because of changes to services, for example, the new public health money would be classed as Third Party Payments.*
- Whether funding was being taken from public health budgets for other projects and whether there had consequently been an impact on service provision. *It was explained that there had been no impact on public health service delivery and that the grant was ring fenced at least until 2015/16. However, the Council was looking at administrative efficiencies and new public health initiatives.*
- Whether plans for personalised homecare were still behind schedule and if the Council still directly employed homecare workers. *Officers explained that there had been a reduction in directly employed staff due to voluntary redundancies and that work was ongoing on developing personalised homecare but that there were issues around needing to develop flexible local markets to make savings against using large, inflexible organisations. Kate Bingham (Service Head,*

*Resources, ESCW) undertook to provide Members with more details on the current situation.*

Members had a detailed discussion on Asset Management, in particular around how asset sales were feeding through to the capital programme, what the funds raised from previous sales were being spent on and whether plans for a new Civic Centre rested on the ability to raise funds from asset sales.

Ann Sutcliffe (Service Head, Corporate Property and Capital Delivery) reported that the Asset Strategy was about to be updated as it had last been reviewed in 2011 and that more details would be available in the next three/four months. In relation to the new Civic Centre she reported that it was necessary to have a civic centre proposal before the lease expired at Mulberry Place. It was expected that moving to a new Civic Centre would prove to be the most cost effective option although a full assessment of the Council's needs was being prepared.

Following further discussion of the Asset Strategy, the Chair requested that officers provide the Committee with a list of assets that the council holds and those that have recently been sold and what the funds were used for.

Next, the Chair introduced a discussion on the Council's Free School Meals programme. In particular the Committee were interested to discover what the cost would be if the scheme was extended to all Primary School children and what the administrative impact of the scheme was. The Committee also sought reassurance that officers were working to ensure that all pupils entitled to Statutory Free School Meals were still being registered correctly to ensure grant funding for other support services was maintained.

Kate Bingham (Service Head, Resources, ESCW), responded that:

- Officers were monitoring the Statutory Free School meals figures to spot inconsistencies and acting accordingly.
- Administrative costs were significant but had so far been absorbed by the Council and officers were undertaking a lot of work with schools to support them as well.

Following the discussion the Chair requested that officers provide more detailed information on the cost of free school meals, both the existing arrangement and also should the scheme be extended to all primary age pupils. The data to be broken down as follows:

- The number of children (years: reception to year 2) currently receiving free school meals (and how many were Statutory recipients)
- The number of pupils (years: 3 and upwards) currently receiving Statutory Free School Meals.
- The additional number of pupils (years 3 and upwards) who would receive the meals if lunches were made free for all primary age children.

- The core cost of providing free school meals at present (total and per child), and the cost of providing free school meals to all primary age children (total and per child).
- The existing administrative cost/impact and the likely increase (if any) in the administrative burden, to the council and schools, should the scheme be extended to all primary school pupils.

The Committee then moved on to discussing the University Grants Programme. Officers reported that the scheme was continuing for a second year in 2014/15 for up to 400 students and that it was a two year funded programme. The Committee heard that no grants had been awarded from year one yet due to the need for students to prove attendance on their courses first. Officers stated that they were on course to award the first grants next week after there had been a slight delay following an extended application period but that they would be paid in accordance with the policy agreed at Cabinet and in line with Pre-election rules.

The Committee discussed the timing of the grant awards and expressed concerns about this, partly due to the approaching run up to the next local elections and partly on how they should be awarded generally. Members expressed views on a number of options for the payment schedules, Councillor Abdal Ullah for example stated he considered the payments should be termly. The Committee finally agreed that paying the awards by 10 February was reasonable but that if there were delays after that then payments should be made at the end of the University year in June/July to avoid the pre-election period. In addition, Kate Bingham promised to provide Members with information on any impact on the university drop-out rate for students and to report on how the grants were awarded (for example, was it a one off grant or paid in instalments).

Following on from the above, officers were asked to ensure that the Pre-Election guidance was properly circulated to all Council staff.

Finally, the Chair drew the Committee's attention to some of the wider concerns that had been expressed over the budget. In particular whether the savings from the previous budget were being met and also that the Council should be looking to identify additional savings now rather than simply running a balanced budget to help prepare in advance for future savings requirements. The Committee agreed and asked to be assured that there was a proper strategy in place to meet these future challenges.

At the end of the debate the Chair thanked Councillor Alibor Choudhury, Chris Holme and all the other officers who had attended the meeting. He stressed how important their attendance was for the Committee to enable it to ask the questions it needed and to therefore properly scrutinise the budget proposals. He **Moved** that the Committee note the budget report and ask officers to provide the information requested above including on capital assets, free school meals and, in addition, to provide comment on the concerns over planning for future savings and the management of reserves.

All the above information was to be presented to Members before the next meeting.

**Resolved**

1. That the report be noted.
2. That officers be requested to provide the information set out above to Members of the Committee in advance of the next meeting.

**Action by:**

Chris Holme (Interim Corporate Director, Resources)

Kate Bingham (Service Head, Resources, ESCW)

Ann Sutcliffe (Service Head Corporate Property and Capital Delivery)

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

Nil items.

The meeting ended at 8.11 p.m.

Chair, Councillor Motin Uz-Zaman  
Overview & Scrutiny Committee