

LONDON BOROUGH OF TOWER HAMLETS
MINUTES OF THE OVERVIEW & SCRUTINY COMMITTEE

HELD AT 6.15 P.M. ON TUESDAY, 22 JULY 2014

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

Members Present:

Councillor Joshua Peck (Chair)
Councillor John Pierce (Vice-Chair)
Councillor Suluk Ahmed
Councillor Asma Begum
Councillor Denise Jones
Councillor Abjol Miah
Councillor Md. Maium Miah
Councillor Craig Aston (Substitute for Councillor Peter Golds)

Co-opted Members Present:

Nozrul Mustafa – (Parent Governor Representative)
Rev James Olanipekun – (Parent Governor Representative)

Other Councillors Present:

Councillor Alibor Choudhury (Cabinet Member for Resources)
Councillor Aminur Khan (Cabinet Member for Policy, Strategy and Performance)

Officers Present:

Antonella Burgio – (Democratic Services Officer)
Mark Cairns – (Senior Strategy, Policy and Performance Officer)
Aman Dalvi – (Corporate Director, Development and Renewal)
Chris Holme – (Acting Corporate Director - Resources)
David Galpin – (Service Head, Legal Services, Directorate Law
Probity and Governance)
Minesh Jani – (Head of Risk Management and Audit)
Frances Jones – (Strategy, Performance and Policy Manager)
Louise Russell – (Service Head Corporate Strategy and Equality)
Kevin Miles – (Chief Accountant, Resources)
Meic Sullivan-Gould – (Interim Monitoring Officer)
Owen Whalley – (Head of Planning and Building Control)
David Knight – (Democratic Services Officer)
Kevin Le Roux – (MAZAR'S)
Phil Sapay – (MAZAR'S)

1. APOLOGIES FOR ABSENCE

Apologies received from Councillor Peter Golds and Co-opted Member Dr Rice. In addition, it was noted that Councillor Craig Aston was substituting for Councillor Peter Golds.

2. FILMING OF MEETINGS

The Committee was advised of a request to record the meeting and that the constitution gives the Chair discretion to agree to the request. Accordingly, he agreed that:

- ~~Officers did not hold public office and therefore could not be expected to have their submissions recorded in this manner—refused permission of this element; Senior officers of the Council should expect to be subject to a level of transparency and public accountability and that he was therefore minded to grant this request, not least because a law change would make recording of public meetings permissible in the near future.~~
- ~~However, because it had come at last minute and officers had not been notified in advance, he had given those officers appearing the right to object on this one occasion, and as one had done so, he had refused permission to record their evidence to the committee, and but~~
- ~~Councillors held a public office and therefore there was public interest to answer on this matter—allowed recording of this element; they could expect to answer publicly for their decisions and so he would allow their evidence to be filmed.~~

3. DECLARATIONS OF DISCLOSABLE PECUNIARY INTEREST

There were no declarations of disclosable pecuniary interest.

4. UNRESTRICTED MINUTES

The minutes of the OSC held on 8th July, 2014 were presented.

RESOLVED

That the unrestricted minutes of the meeting of the Overview and Scrutiny Committee held on 8th July, 2014 were approved and signed by the Chair as a correct record of the proceedings.

5. REQUESTS TO SUBMIT PETITIONS

Nil returns.

6. UNRESTRICTED REPORTS 'CALLED IN'

Nil returns.

7. UNRESTRICTED REPORTS FOR CONSIDERATION

No decisions of the Mayor in Cabinet held on 9th July, 2104 in respect of the unrestricted reports on the agenda were "called in".

8. REFERENCE FROM THE COUNCIL - INVESTIGATION INTO THE SALE OF OLD POPLAR TOWN HALL

The Interim Monitoring Officer introduced the report that provided Members of the Overview and Scrutiny Committee with the outcome of the investigation mandated by the Council at its meeting on 22 January 2014 into the disposal of Old Poplar Town Hall and the subsequent grants of planning permission that allowed the option for the sites redevelopment as an Hotel. The main points arising from the discussion of the report are summarised as follows:

1. The report set out the serious nature of the matter raised in the Council resolution which alleged that a Member had misused his/her powers to sell an asset under the market value;
2. The Monitoring Officer's view that the allegation had not been supported by the facts as revealed by the Mazars investigation;
3. Whilst there are some gaps in the audit trail, the Monitoring Officer ~~se~~ have been assessed these as failure to follow process and contended that they did not constitute illegal activity;
4. Valuation that was reputed to be millions of pounds at the time of marketing the property was estimated between £750,000 to £950,000. The building was actually sold for £875,000; and
5. The Council could make a claim on any windfall monies that resulted from the new owners of the property acquiring approval of change of use of the building into a hotel through a clawback.

Comment [JP1]: This isn't clear. Should it read 'Despite speculation that the property was worth millions of pounds, at the time of marketing the property, it was estimated to be worth between £750,000 and £950,000, and was actually sold for £850,000?'

Comment [JP2]: It is my recollection that this point was NOT made by the Monitoring Officer at this point but rather was made much later on. Could you check?

In conclusion, the Monitoring Officer suggested that the report indicated that the building had not been sold undervalue; it had been marketed openly and that the bidder accepted was the one that provided the quickest possible completion.

The Chair then invited representative from Mazar's to make their presentation. In response they advised the Chair that they did not wish to add anything more to the report that the Committee had received but they were happy to answer questions. In addition, it was noted that the Mazars auditors who had undertaken this particular investigation belonged to Mazar's Specialist Investigations Team. Responding to Members questions the Mazars representatives informed the Committee that:

1. Mazars investigators had been given unfettered access to all the relevant documentation and information;
2. Whilst Mazar's does have a property section, valuation of this particular property had not been part of the scope of the investigation;
3. Mazar's had been appointed on 10th February, 2014 following consultation with the external auditors and that an interim report had been produced by Mazar's on 28th February, 2014 for senior officers.

Following submission of this interim report the Statutory Officers asked that Mazar's look at the legal file relating to the sale and other documentation which increased the time taken to produce the final the report;

4. The decision to defer the sale of the property until the real estate market had improved was outside the scope of investigation;
5. The draft of the report had been discussed with regards to factual accuracy but no significant changes had been made nor had any information been removed;
6. The valuation based on the use of Poplar Town Hall at that time had been outside scope of investigation.
7. With regards to the next draft of the report that had been submitted to officers this had been produced on 4th March, 2014 with proviso that Mazars had yet to meet with the realtor BNP Paribas and that they had then needed to review email trail which had been completed on 21st March, 2014. There were no significant changes to the document however they had been some practical issues regarding getting access to email accounts and the final draft had been released to Council on 2nd June, 2014.
8. If the marketing method had been in scope of investigation, Mazars would have asked officers for the basis of the decision.
9. If Mazars had felt that was a fraudulent matter they would have reported it to the external auditor and to Metropolitan Police Service.

Comment [JP3]: Repeat of point 2?

The Committee then went on to ask questions of the Monitoring Officer regarding the process and noted that:

It was anticipated that the report on the evaluation for different uses of the property would be signed off on 22nd July, 2014

The Chair asked that Overview and Scrutiny Committee receive all previous drafts of the report and the email correspondence that resulted in these further drafts.

At the Chair's invitation, the Interim Monitoring Officer provided further information and responded to Members' questions: He informed the Committee that:

- the investigators had requested much documentation and a proportion of this presently remained to be provided.
- In regard to documents that remained to be provided to conclude/further inform the investigation, the Interim Monitoring Officer advised that the short timescales since the requests had been raised meant that the Committee had not received all the information it had requested and delays in supplying the papers had caused the final report to be delayed.

The Chair noted that many papers had been sent late and many remained to be provided even though the investigators had requested them – he instructed that these should be provided as soon as possible

- The ~~Committee had been~~ Monitoring Officer had dissuaded/refused the ~~Committee's request under the Council's constitution for from seeking~~ external legal advice prior to the meeting ~~as the Service Head, Legal Services was properly trained to perform this function for reasons that were unclear to the Committee.~~

The Chair noted the view offered and advised that, in his view, it was the Committee's constitutional right to receive independent advice should Members feel it necessary – the Chair requested ~~this should be permitted in future that this was now provided without delay as originally requested.~~

The Monitoring Officer, S151 Officer and Head of Risk Management and Audit also provided the following information concerning the substantive investigation report:

- It had taken six months to publish the report because the procurement procedure caused a delay in obtaining external advice. Additionally frustrations had been encountered in the process which needed to be resolved.
- The referral from Council initially had been referred to the Council's external auditors KPMG, who in turn referred this to Mazars to carry out the investigation.
- It had not been possible to meet the deadline stipulated in the Council motion as the initial draft report had identified the need for further work which had taken longer to complete than expected, which had resulted in delay of the final report.
- In respect of the valuation of the property based on a range of proposed uses, this had been commissioned and was presently awaiting sign-off by a senior partner prior to release. At the time of commissioning, this element of the Council resolution had been overlooked. Once identified as not having been actioned, this outstanding work was commissioned immediately with the aim of submitting this at the meeting however the resulting report was awaiting sign-off. It was expected that it would be delivered Thursday hence.
- Concerning why Mazars (who had the necessary expertise), had not been tasked to investigate evaluation under C1/B1 uses, the Committee was advised that this was because officers had expected the investigation to be under taken by KPMG. The chair asked that he be sent the valuation and commissioning documents
- Noting the Chair's request for information outstanding made nine days preceding meeting the monitoring Officer advised that this would be made available to Members.

The Monitoring Officer, S151 Officer and Head of Risk Management and Audit also provided the following information concerning procedural issues:

- Primary legislation governing the two-stage tender process and the disposal procedure followed lies in S.23 of the Local Government act

1972. Councils were each required to have their own Contract Standing Orders stating which properties could be kept or disposed. These Orders were internal instructions/documents and the processes subject to audit.

- These Orders were internal documents and were not a legal requirement but instructions to staff which if breached would constitute a conduct issue not an issue of unlawfulness. Compliance with standing orders were now also part of employees' employment contracts.
- A recommendation for fast disposal had been the guide to determine which of the three disposal options cited by BNP Paribas offered the best consideration.
- All sealed bids submitted for the property would be opened at the same time in order to avoid the risk of a bidder gaining an advantage through advanced notice of bids enabling outbidding through the placement of a late bid.
- It was not possible to completely eliminate the possibility of collusion in bidding. However upon examining the evidence in respect of dates and times, it was concluded that there was no evidence of collusion.
- The Monitoring Officer was not able to advise why residential property was considered the highest area of risk, but offered that the Mayor in Cabinet had wanted to accelerate the sale presumably to cycle funds forward to other projects.
- Bids were stamped with the date and time of receipt to indicate when the bids had been received and fair process for all bidders.
- The worst outcome that might be expected from a failure to follow a procedure in the sale process would be an audit risk and risk to reputation.
- Concerning at what point the Council was able to recoup its money; provisions in the lease provide that a change of use which increases the value of a property must be undertaken with the consent of the vendor (the Council). At the time of consent, parties would negotiate the share of monies gained. However, while such a situation was possible, it was in the Council's interest to achieve the best possible value at the time of sale.
- Regarding whether there was a register at the opening of the bids and whether all who attended the opening signed this, the Monitoring Officer advised that no register was apparent. However there appeared to be a practice of registering bids received and therefore it was suggested that either the register was not made on this occasion or it was lost.
- The Chair noted that information on the register was also amongst the documents requested prior to the meeting but remained outstanding. He requested ~~information on other regulations around proof of examples of other registers kept for~~ other disposals at the time to be provided to Members.
- Concerning how such a significant document could have been lost, the Monitoring Officer advised that normally records were kept by the Head of Asset Management, however this disposal pre-dated her term

in post. Concerning whether the officer was responsible to ensure such a document was retained, the Monitoring Officer advised that the financial instructions relating to disposals were silent on this matter and that procurement rules were more precise than disposals rules; it was likely that the procedures would be reviewed again.

- Regarding an update on the second recommendation of the final report, Members were informed that the file was presently with Price Waterhouse Coopers, however an update would be provided by the end of the week.

At the Chair's invitation, the Corporate Director Development & Renewal made his submission and responded to questions:

He submitted that copies of the initial bids were available but subsequently an audit trail on the acceptance on the final offer was not traced. However he had responded to the auditors requests on time. Much of the work concerning the disposal of Poplar Town Hall had been carried out by two Heads of Asset Management and, in their absence, two other Heads of Service. The current Service Head for Corporate Property and Capital Delivery submitted her apologies due to leave that had been booked a number of months previously. The Corporate Director agreed to answer questions and provided the following information:

- Production of a registration sheet at bid opening was not a legal requirement but an internal instruction
- In regard to the Chair's contention that a report back to Cabinet on the sale that had been requested had not taken place but had been made to the Mayor as part of normal business and enquiry on who the Corporate Director had reported back to on the proposals for the accelerated sale, he advised that the Mayor had not requested a report back to Cabinet, additionally since the sale was carried out within six months it was not possible to make a report back to Cabinet in this context.
- Concerning the timing of the decision to move from proposals to sale, he advised that ~~that~~ the decision had been made after 2008 since at the time of the decision to dispose the property was occupied by a school.
- In regard to what informed the basis of the £1.5 million valuation, he advised that this figure was not derived from an evaluation but an estimate by the Head of Asset Management. Similarly another property in Underwood Road which was sold at the same time was overestimated. The real estate market had not been particularly strong in 2008 but was slightly better in 2011. With the property now being vacant, retaining it would have incurred costs in terms of securing the site and exposed the Council to risks around security and squatters.
- Concerning what information would have been given to the Mayor in relation to the disposal, he advised that the Mayor would not be

- informed of estimated figures but would have been aware of capital receipts.
- It was not possible to specify where this decision to progress disposal was recorded but the decision took place as part of a one-to-one meeting.
 - Concerning the Mayor's frame of mind at the time of the decision, he advised that relevant information was contained in the Cabinet minute pertaining to the matter.
 - The email of 11 July had been responded to and this had been provided to the Committee. The Statutory Officers could advise when this e-mail had been sent to Mazars, and an answer would be provided after the meeting.
 - Concerning when the Corporate Director had become aware of the financial advice around the disposal, he advised that that he relied on the advice of a range of officers in relation to satisfying the council's financial instructions. Additionally he had not been aware at what time the bids would be opened as this would have been dealt with by staff.
 - Concerning why the bid from Dreamstar had been accepted, he advised that the Authority was anxious to achieve the best value. The bid had been received on time but this had not been known about by officers at the opening of bids.
 - Concerning whether the Council was satisfied with the bid, he advised that highest bidder was conditional upon approval of planning permission and could change. The condition was subject to full survey which would take a maximum of four weeks. The sale effected took longer than this and the bidder did not make a structural survey therefore this sale bid remained conditional to the end.
 - Concerning how officers were able to find time to check the finances of the late bidder Dreamstar, he advised that financial status of the bidder was checked by BNP Paribas who carried out financial due diligence on behalf of the Council.
 - Concerning whether officers were aware that Dreamstar had not emerged until September, he advised that officers had not been aware of this but this issue was not relevant since any person may place a bid. The Council's had responsibility to ensure the bidder had financial means to complete the transaction. Additionally it was common for names of entities to change between application and completion; this was sometimes done for tax purposes. The Council did not take into account the legal status of applicants but whether the bidder was able to pay.
 - Concerning how Dreamstar was able to purchase the property if it had yet to be incorporated, he advised that two applications were made to BNP Paribas who investigated and reported that the bidder was able to pay for one property.
 - He had accepted the bid on the basis of the advice of the Head of Asset Management and the Council's Legal Services.
 - Concerning where the decision to enter into a contracts race was recorded, he advised that he would investigate and provide an answer post-meeting.

The Chair noted that an issue remained: that the fact the highest bidder required a survey is used to justify a contracts race, and yet Dreamstar was admitted, whilst unincorporated, into the race to bid against another (higher) bidder who only required a survey.

In response to further questions, the Corporate Director also advised:

- He had had no discussions with any directors of Dreamstar nor did he know who they were.
- Concerning whether he had discussed the process with the Mayor, he advised that the decision had been made in Cabinet and regular Council procedures had been followed. He had not discussed the process with the Mayor nor had he discussed:
 - bidders
 - the decision not to accept the highest bid with the Mayor or staff.
- The bid from Dreamstar was not the highest, but had been chosen on the basis of the best and final offer. The choice would have been taken by the Head of Asset Management in conjunction with other Council officers.
- A 6 - 8 week delay was not considered exceptional as often this timescale was required for officer responses.

The Chair noted a response on the sale made to Councillor Archer at Council in 2012 which opposed the answer proved to the Committee and enquired why inaccurate information was had been allowed to go forward to full Council. The Corporate Director stated that he had not been in this post at that time.

- Concerning how the Council proposed to clawback some of the increased value that would be acquired through change of use, he advised that change of use was time-limited and this lever would be investigated

In concluding his submission, the Corporate Director Development & Renewal agreed to provide, outside of the meeting, answers to any further questions the Committee should wish to ask.

The Committee then heard from the S151 Officer. He informed Members that:

- The investigation had produced a thorough report.
- The time taken had been longer because further questions had also required investigation.
- The financial context at the time that the disposal was agreed, was that the Medium Term Financial Plan required the Council to deliver £75 million of savings.
- The Council's budget, agreed at budget Council in 2011, was balanced.

- A response concerning whether the budget had unmet capital needs at that time would be provided in writing
- At the time of the sale, he was in the role of Service Head, Resources D&R but had played no role in the matter.

Following this submission, the Committee heard from the Cabinet Member for Resources.

The Chair noted that a letter with questions for the Mayor had been sent but answer was still awaited; he requested that officers verify whether a response had been made.

The Cabinet Member made his submission and responded to questions, informing the Committee that:

- Although the disposal was decided in 2008, the premises were occupied by a community school for two a half years following the Cabinet decision to dispose. Cabinet subsequently received an update report and allowed the sale to proceed. When the property was marketed the Mayor was periodically kept informed but responsibility for the methodology and process of the sale remained with officers. He noted that the investigation had not identified any improper involvement of the Mayor in terms of governance issues.
- Referring to the minutes of the Cabinet meeting in 2011 that recorded that he had proposed the expedited sale of this building and one other and that were read aloud and offered for his comment, he advised that his recorded comments may have been misinterpreted. In fact, his comments related to Cheviot House and had been necessary to expedite the process for the disposal of all surplus buildings at that time, as the Council was concerned with the delay of Jubilee Street. He confirmed that he hadn't corrected the minutes at the subsequent meeting.
- Concerning rationale for an accelerated sale, he advised that there were costs in retaining empty buildings and these could be minimised if such buildings were sold quickly.
- He had not been informed of the valuation by BNP Paribas but had had become aware of it at the sale of the property.
- Concerning whether the Cabinet decision had been made on the basis of an evaluation of £1.5 million, he was concerned that the estimate had might have been have been used rather than the evaluation.
- Regarding whether the sale had given value for money and had been in the best interests of the Council, he advised that such judgements depended on definition. His concerns centred around best use of resources to enable the most desirable outcomes. Therefore, based on officer advice, his view was that both of these criteria had been met; especially in respect of costs associated with the maintenance of unused buildings. On this basis also, he was satisfied that the sale undertaken was the best course of action.

- The decision to not retain the property until the market became more favourable was opted for because of other associated of loss of funds issues.
- Concerning whether the Cabinet member was satisfied with the range of bids for the property, he advised that he had not been involved in this matter, nor had he consulted with the Mayor about it.
- Concerning his views on the contracts race, he advised it created an environment for sale and for achieving a good price. He advised also that he did not speak to the Mayor on this matter as the process was officer led. Once the decision was made by Cabinet, officers were left to pursue the implementation.
- Concerning the contention that the Mayor had a controlling influence on the decision, he noted the view put forward and contrasted this view with the findings of Mazars' investigation that the issue was procedural and there were no concerns around impropriety/dishonesty.
- Although there had been some allegations in the local press, he advised that -he did not know any of the parties that had submitted bids.
- He had not declared any interests in the process. He agreed to verify whether the Mayor had declared any interests in this regard.
- He wished to offer no opinion on the matter that Old Poplar Town Hall might/could be converted to a boutique hotel.
- Concerning whether he had known that the valuation returned by BNP Paribas was very low compared to estimate, he advised the matter had been returned to Cabinet and advice given to Members that the issue would be progressed by officers. Therefore Cabinet had been satisfied with the decision at that time.
- Concerning how closely resources directorate and asset management worked together, he advised there was close working especially in reference to capital programme and budget.
- Concerning the circumstances of the estimate and achievable sums at sale, the Committee enquired why BNP Paribas had only valued the property under B1 use and omitted valuation in other possible categories that would have achieved a better return sale, he advised that the Authority was required to defer to the expertise of BNP Paribas. However he acknowledged that lessons had been learned in regard to accepting the recommendation of this firm.

The Chair noted that, in discussions with BNP Paribas, there had been no discussion around the possibility of hotel use.

On further questioning, he provided the following information:

- Concerning why the Council had decided not to continue to use the premises as a school, he advised that the building had been released for this use for a fixed term pending relocation of the school.

- Concerning whether the Cabinet Member had known anyone involved in the Limehouse project, he confirmed that he had known some who had been involved, and had served on this project in 2005.

The Chair then questioned whether the Cabinet Member:

- had known any of the bidders and he responded that he had not known any other than those on the Limehouse project
- knew any person employed by Dreamstar, and he responded that none were known to him unless the Chair was able to offer individuals' names
- Concerning who made the decision to pursue the option for early marketing and disposal of the premises, he advised that this would have depended on how the report was dealt with, had the report been presented to Cabinet, then this body would have made the decision. If the report were to have been dealt with outside of Cabinet, the decision would have fallen to an officer under delegated powers. The Chair requested that a definitive answer be provided to this question.

After questions of a public nature were concluded, the Chair moved the meeting into closed session to pursue matters of an exempt nature.

EXCLUSION OF THE PRESS AND PUBLIC

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

Resolved:

That in accordance with 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 contained information defined as exempt or confidential in Part 1 of Schedule 12A to the Local Government, Act 1972.

The Chair then moved to exclude press and public from the meeting to enable the Cabinet Member to respond to specific questions concerning the relationship between the Cabinet Member, Mayor and individuals associated with matter.

NOTE: In closed session, the Cabinet Member confirmed that, contrary to his earlier statement to the Committee, he did in fact know Mujiibul Islam of Dreamstar and that this was someone who had been closely involved in the running of the Mayor's election campaign in 2010.

At 9.47pm the Chair moved that the meeting be paused.

It resumed shortly after and returned to open session, at which time the Chair advised that the Committee would draft its report to Council. ~~On~~ On the basis of all written and oral information that had been submitted in connection

with the matter. He noted that some information remained outstanding and that requested this be submitted for consideration so that it might also inform the Committee's report. The draft report would be considered at the next OSC meeting.

RESOLVED

The Committee agreed:

1. To receive a draft report of the Committee's response to Council;
2. To reserve right to ask Mazars written questions later if necessary;
3. To be provided with details of when Mazar had been given access the relevant email accounts
- ~~4. To reserve the right to seek independent advice; and~~
5. That they wished to be provided with the report relating to the valuation of the potential different uses of the property and the commissioning.

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9. STRATEGIC PERFORMANCE AND CORPORATE REVENUE AND CAPITAL OUTFURN Q4 2013/14 (MONTH 12)

Acting Corporate Director introduced the report that detailed the draft financial outturn position of the Council at the end of the financial year 2013/14 compared to budget, and service performance against targets. Further adjustments it was noted may be required as the statement of accounts are finalised and the final position is reviewed by KPMG as part of the year end audit. The report included details of:

1. General Fund Revenue and Housing Revenue Account;
2. Capital Programme;
3. Collection Fund;
4. Pension Fund;
5. Performance for strategic measures; and
6. Progress against Strategic Plan activities.

It was noted that this report will be considered by Cabinet at its meeting on 23rd July, 2104. Whilst the draft Statement of Accounts, including the Comprehensive Income and Expenditure Account, Balance Sheet and Cash Flow Statement, was considered by Audit Committee on 30th June, 2104. The Accounts will be 'subject to audit' with the Audit Commission who are due to sign them off by 30th September 2014. The main points arising from the discussion of the report may be summarised as follows:

1. The Committee noted that 4% of BME Children Leaving Care had been adopted in the 2011/14 three year period which is below the minimum target set for this strategic measure and the Committee therefore asked that this should be addressed;
2. The Committee was advised the with regard to the optimisation of existing funding and the maximisation of prospects for future funding

this was currently being addressed by the Portfolio Lead Member and officers;

3. The Committee noted that with the changes in the local government finance system the Council would have to look at how it would redefine its services; manage demand and consider potential funding streams; and
4. The Committee noted that the Directorates have spent 67% of their capital budgets for the year (£130m against budgets of £196m) and any underspent budgets will be carried forward and spent in future years.

RESOLVED

1. That the report be noted
2. That that future performance would include a focus on adoption

10. APPOINTMENTS TO INNER NORTH EAST LONDON STANDING JOINT HEALTH OVERVIEW AND SCRUTINY COMMITTEE 2014/15

The Chair introduced a report that provided a background to the establishment of Inner North East London Standing Joint Health Overview and Scrutiny Committee and asks the Committee to appoint 3 Members for the duration of the municipal year.

The Committee received the following nominations for the appointment of two Labour Members to INEL JHOSC. These were Councillors Asma Begum and David Edgar and noted that a position remained to be appointed to.

RESOLVED

1. That Councillors as Asma Begum and David Edgar be appointed to INEL JHOSC for the duration of the municipal year to respond to consultations and represent the interests of the Borough on health matters.
2. That the Committee note that these appointments have been made according to political proportionality rules as set out in INEL JHOSC Terms of Reference. In accordance with current proportionality, Asma Begum and David Edgar are appointed from Labour) and one from Tower Hamlets First (Nominee awaited).
3. That these appointments be for the duration of the 2014/15 municipal year or until successors are appointed.
4. That the Members appointed participate to represent the interests of the Borough on health matters.

5. That the terms of reference of the Standing Joint Health Scrutiny Committee as circulated by the host/coordinating authority (London Borough of Hackney) be noted.

11. OVERVIEW AND SCRUTINY COMMITTEE OUTLINE WORK PROGRAMME 2014/15

The Strategy, Performance and Policy Manager tabled a revised draft work programme (attached as an appendix to these minutes) for consideration.

The Chair advised that the work programme would be presented for formal approval at OSC on 2 September 2014, at which time also, Lead Members would agree the subjects of their Scrutiny Reviews and Challenge sessions. Scrutiny spotlight sessions and requests for items to be brought to the meeting would be added to the work programme in conjunction with the Chair.

It was proposed that the September Scrutiny Spotlight session be undertaken with one of the boroughs registered social landlords. The Chair would liaise with Ward Councillors on this matter

Others work programme topics were noted:

- scrutiny spotlights:
 - The Mayor – November 2014
 - The Borough Commander – December 2014
 - Electoral Commission spotlights session should be rescheduled to a time early in 2015
- Amendments:
 - Others scrutiny in the community would be determined later in the year
 - Complaints and information governance report – October 2014

RESOLVED

That the draft work programme and suggested amendments be noted

12. VERBAL UPDATES FROM SCRUTINY LEADS

Nil items.

13. PRE-DECISION SCRUTINY OF UNRESTRICTED CABINET PAPERS

Nil items.

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

Nil items.

15. EXEMPT/ CONFIDENTIAL REPORTS 'CALLED IN'

Nil items.

16. PRE-DECISION SCRUTINY OF EXEMPT/ CONFIDENTIAL) CABINET PAPERS

Nil returns.

17. ANY OTHER EXEMPT/ CONFIDENTIAL BUSINESS THAT THE CHAIR CONSIDERS URGENT

Nil items

The meeting ended at 9.45 p.m.

**Chair, Councillor Joshua Peck
Overview & Scrutiny Committee**