

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE OVERVIEW & SCRUTINY COMMITTEE

HELD AT 7.15 P.M. ON TUESDAY, 2 DECEMBER 2014

COMMITTEE ROOM ONE - TOWN HALL, MULBERRY PLACE

Members Present:

Councillor Joshua Peck (Chair)
Councillor John Pierce (Vice-Chair)
Councillor Asma Begum
Councillor Denise Jones
Councillor Dave Chesterton
Councillor Peter Golds
Councillor Mahbub Alam
Councillor Abjol Miah
Councillor Muhammad Ansar Mustaqim

Co-opted Members Present:

Victoria Ekubia	(Roman Catholic Church Representative)
Dr Phillip Rice	(Church of England Representative)
Nozrul Mustafa	(Parent Governor Representative)
Rev James Olanipekun	(Parent Governor Representative)

Other Councillors Present:

Councillor Rabina Khan	(Cabinet Member for Housing and Development)
------------------------	--

Also Present:

Mick Sweeney	(Group Chief Executive One Housing Group)
John Gregory	(One Housing Group)
Catherine Kyne	(One Housing Group)
Suzanne Horsley	(One Housing Group)

Officers Present:

Mark Cairns	(Senior Strategy, Policy and Performance Officer)
David Galpin	(Service Head, Legal Services, Law Probity & Governance)
Kevin Kewin	(Service Manager, Strategy & Performance)
Louise Russell	(Service Head Corporate Strategy and Equality, Law Probity & Governance)
David Knight	(Senior Democratic Services Officer)
John Williams	(Service Head, Democratic Services, Law Probity and Governance)

Meic Sullivan-Gould
Jackie Odunoye

(Interim Monitoring Officer, Legal Services, LPG)
(Service Head, Strategy, Regeneration &
Sustainability, Development and Renewal)

1. APOLOGIES FOR ABSENCE

Apologies for absence had been received from The Mayor Lutfur Rahman.

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTEREST

No declarations of disclosable pecuniary interest were received.

3. UNRESTRICTED MINUTES

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

RESOLVED

The unrestricted minutes of the meeting of the Overview and Scrutiny Committee held on 4th November, 2014 were approved as a correct record of the proceedings. Subject to the following amendments:

7.5. Reference from Council – Judicial Review on the Best Value Inspection.

Paragraph 4 delete “Popular” and insert “Poplar”.

9. Pre-Decision Scrutiny of Unrestricted Cabinet Papers.

The inclusion in the minutes of the responses received to the pre-decision scrutiny questions submitted to the Mayor in Cabinet on 5th November, 2014.

In addition, the Committee **agreed** that:

7.2 Covert Investigation Under the Regulation of Investigatory Powers Act 2000

Further to minute 7.2 (4th November, 2014 refers) regarding Covert Investigation Under the Regulation of Investigatory Powers Act the Committee agreed that it should be provided with a brief update that would give information/figures relating to surveillance without RIPA authorisation on both public land and Council land.

4. REQUESTS TO SUBMIT PETITIONS

Nil items.

5. UNRESTRICTED REPORTS 'CALLED IN'

Nil items.

6. SCRUTINY SPOTLIGHT

6.1 SCRUTINY SPOTLIGHT - THE MAYOR

The Scrutiny Spotlight did not proceed as Mayor Lutfur Rahman had been unable to attend. Accordingly, the Chair noted the Mayor's apology for absence and informed the Committee that it be noted that he was disappointed that the Mayor had not attended and he instructed officers to request the reason for the Mayor's absence on this occasion.

6.2 SOCIAL HOUSING PROVIDER - ONE HOUSING GROUP

The Committee received and noted a presentation from Mick Sweeney, Group Chief Executive One Housing Group (OHG), relating to the standard of housing management on the estates managed by OHG in Tower Hamlets. A summary of the discussion on this item is set out below.

The Committee:

- Commented that many of the residents in the wards that they represent have expressed dissatisfaction at the service they have received from OHG. In response it was noted that OHG whilst confident in the quality of their customer care and the engagement through the Area Boards of OHG recognised that more could be done to ensure customer satisfaction.
- Noted that some of the elected members on the committee had been alerted to concerns by residents in their wards. Accordingly, OHG had arranged a meeting for both the elected members and residents so as to provide them with an opportunity to scrutinise the standard of housing management on the various estates managed by OHG in Tower Hamlets. A report providing an outline of the outcomes and way forward would be circulated to the Committee in due course.
- Noted the OHG had many high maintenance grade two listed properties in Tower Hamlets and there was an urgent need to start a dialogue to consider the long term viability of such housing stock and options for the future housing of residents.
- Commented that the concerns of residents regarding the standard of housing management and OHG housing stock was not primarily due to the age of those properties but to poor standards of service. Therefore, the Committee wanted to know what OHG intended to do to address these concerns.
- Noted that OHG alongside the redevelopment of their older housing stock will aim to develop an ongoing and meaningful dialogue with elected members and residents.

- Noted details of a yard where OHG had been keeping unwanted fridges/freezers that had been dumped on their estates. Members were concerned that apparently OHG felt it was appropriate to store such unwanted domestic appliances in a yard overlooked by residents' homes.
- Was informed that in Tower Hamlets OHG experiences very high levels of fly tipping and they wanted to engage with partner agencies so as to address this problem at source. However, whilst acknowledging that OHG wished to address this problem the Committee was of the view that if OHG cared about their tenants and residents, they would have taken a more proactive stance to resolve this illegal dumping on their estates.
- Noted that in March 2013 the Borough's Fire Commander had apparently indicated that the storage of such unwanted household electrical items such as fridges and freezers in this yard was a potential fire hazard.
- Agreed that OHG should have sent such items to specialist reprocessors where the various elements can then be stripped down and recycled. In response OHG stated that they currently had to remove 152 metric tonnes of such illegal deposits. The Committee in noting the scale of the problems indicated that they would expect OHG to actively engage with their colleagues in the Council to seek an effective resolution to the problem e.g. by their active involvement in the Tower Hamlets Housing Forum's Public Realm Sub-Group.
- Indicated that it would also want to see bench marking for OHG against other comparable housing providers. OHG placed on record their apologies for the time that it had taken to resolve this matter and confirmed that they would seek membership of the Public Realm Sub-Group and commence a meaningful dialogue with LBTH Officers on addressing the illegal deposit of waste.
- Noted that OHG would be undertaking future consultations regarding changes to transfer polices and the introduction of affordable rents and future options for the housing blocks with the worst maintenance problems.
- The Committee whilst welcoming OHG's intention to develop a dialogue with elected members and residents wanted assurances that those residents involved in the ongoing dialogue should be genuine "community personalities". In response the Committee noted that OHG had engaged in a positive dialogue with local residents so as to develop a healthy democratic process. Notwithstanding these assurances the Committee felt that those concerns identified to members by local residents and the culture of OHG customer services did not seem to indicate that OHG was engaged in a truly compassionate dialogue with its leaseholders and residents. In response OHG indicated that they were very happy to engage with residents and elected members in a truly meaningful dialogue. To this end the Committee received and noted the offer made by OHG to sit down and discuss with elected members issues raised by their constituents. As to the culture of OHG customer services it was noted

that OHG had invested much time and effort in improving their customer services e.g. addressing situations/challenges in meeting the needs of local residents and elected members. .

- Noted that OHG had taken steps to support those residents who had been affected by the recent welfare reforms. OHG had also taken steps to develop the number and quality of rented accommodation through the proactive reinvestment of those receipts obtained from private sales e.g. 1,500 new affordable new homes from the sale of 1,700 properties. In noting these developments Committee members indicated that they wish to know how many of those 1,500 properties had been made available to LBTH residents and what rents the occupants of these new properties were being charged, as well as how many of the sold properties were within the borough.
- Noted that there were issues with certain OHG managed properties where the residents had reported 'damp' mould on the walls where damp is not penetrating from outside. It was felt that "cold bridging" was the likely cause i.e. an area in the property where a gap occurs in the insulation (for example: the roof/wall junction and the wall/floor junction). The Committee was informed that apparently the issue seemed to arise after the properties had undergone repairs/maintenance. OHG recognised that this was unacceptable and properties that should not be left in an unacceptable state of repair.
- Also indicated that there was an ongoing issue regarding OHG corporate communications which had in certain situations sent contradictory messages to residents e.g. the use of Section 106 monies to undertake comprehensive estate regeneration seemed to indicate that in certain instances residents might lose their homes. In response OHG assured the Committee that where such developments are under consideration they ensure that there is an effective dialogue between themselves, residents and any developer.
- Asked for the composition of Area Boards and noted they comprised lease holders/tenants and one elected member. However, it was noted that from the comments received by the elected members on the Committee that OHG leaseholders had expressed concerns regarding repairs/maintenance/anti-social behaviour and the overall cleanliness of their properties/estates.

In conclusion the Chair thanked Mr Sweeney and his team for attending tonight's meeting and it was:-

RESOLVED

- To request a report providing an outline of the outcomes and way forward with regard to the ongoing dialogue between elected members; residents; leaseholders and OHG;
- To request written confirmation that OHG had taken steps to join the Tower Hamlets Housing Forum Public Realm Sub-Group and had commenced a meaningful dialogue with LBTH Officers in addressing the illegal deposits of waste; and

- To request details of future consultations regarding changes to transfer polices, future options for high maintenance blocks and the introduction of affordable rents.
- To request details on how many of the new 1,500 properties had been made available to LBTH residents and what rents the occupants of these properties were being charged, as well as how many of the sold properties were within the borough

7. UNRESTRICTED REPORTS FOR CONSIDERATION

7.1 RESPONSE TO REFERENCE FROM COUNCIL (JUDICIAL REVIEW ON THE BEST VALUE INSPECTION)

The Committee received an update that provided an outline to the unsuccessful judicial review proceedings brought against the Secretary of State for Communities and Local Government in connection with his decision to appoint Pricewaterhouse Coopers LLP (PwC) to undertake a Best Value Review of some of the Council's functions. As a result of discussions on this matter.

The Committee expressed concern that it had not received the reference in a timely manner. It was pointed out that it had been agreed between the Chair and the Monitoring Officer that it would not be appropriate for this reference to be discussed by the Committee whilst the legal proceedings were ongoing. The reference was reported to Committee at the next available opportunity after the legal proceedings concluded.

It was

Resolved

- That the Committee be advised of the relevant legal advice that the Council had received prior to making the decision to undertake the Judicial Review of BV Inspection, in the form of contemporaneous notes taken during conferences with counsel; and
- That the Committee be advised of the process that was followed to take this decision, including the individual who made that decision

7.2 BEST VALUE INSPECTION - OVERVIEW AND SCRUTINY

The Committee received and noted a report that detailed references made to Overview and Scrutiny within the best value inspection report undertaken by PricewaterhouseCoopers LLP (PwC). A summary of the discussion on this report is set out below:

The Committee noted that on the 4th April 2014 the Secretary of State for Communities and Local Government (DCLG) had appointed PwC to undertake a best value inspection of the London Borough of Tower Hamlets pursuant to section 10 of the Local Government Act 1999 (as amended by the

Local Audit and Accountability Act 2014). The appointment letter it was noted had indicated that the focus of the inspection would include:

1. The Authority's payment of grants and connected decisions;
2. The transfer of property by the Authority to third parties;
3. Spending and the decisions of the Authority in relation to publicity; and
4. The Authority's processes and practices for entering into contracts.

Whilst the Committee had not been the specific focus of the inspection, PwC's report, it was noted, had made it clear that their work had regard to matters escalated through the Council's own governance processes, including Overview and Scrutiny. This it was noted had included for example, Call-ins informing the sample of contracts selected for detailed review. In addition, the Committee was informed that in the PwC's report four properties had been identified for further investigation (Poplar Town Hall, Sutton Street Depot, 111 – 113 Mellish Street and Limehouse Library) were also known to them as a result of, 'third party information and/or the authority's own governance processes.

The inspection report also referenced a number of other issues, or comments, which had been raised by Overview and Scrutiny Committee, or through a Call-in, in its final report, including in relation to:

1. Mainstream Grants;
2. 954 Fund;
3. Community Chest and Community Events;
4. Disposal of Poplar Town Hall;
5. Lease of Sutton Street Depot; and
6. Transfer of funds from reserves to the Mayor's Office.

Although the Committee was advised that the inspection by PwC had not directly assessed the effectiveness of Overview and Scrutiny Committee or how it fulfilled its functions, the Committee was of the view that scrutiny is a vital component of good governance and improves councils' decision-making, service provision and cost-effectiveness. It is political without being partisan; it can provide independent challenge to executive decision-making, delivering the accountability which is crucial to modern, efficient local government. The Committee also felt a strong accountability framework promotes confidence in the Council's administration and that adequate and effective scrutiny is essential to the Council achieving its Best Value Duty.

However, the Committee considered that its recent experience and the evidence of the PwC report is that this important scrutiny role has not always been adequately facilitated under the current governance arrangements of the Council. In particular, the Committee had raised concerns about not being given timely access to information that would have allowed it to undertake scrutiny and that they felt that the Committee had, had difficulty in accessing independent advice to fulfil its functions.

It was

Resolved

- That the Chair should write to the Secretary of State asking that he gives consideration to ensuring that the remit of the Commissioners includes the oversight of the operation of the governance arrangements including the role of the Committee.

7.3 IMPLEMENTATION OF ELECTORAL COMMISSION RECOMMENDATIONS

The Committee received and noted a report that provided Members with an update on planning work that has been undertaken so far for the UK Parliamentary election to be held on 7th May, 2015. The report focussed mainly on the plans for the verification and counting of votes, in order to comply with the timetable set out by the Electoral Commission. Amongst other things, the Commission's report of July 2014 recommended that the outline plans should be subject to consultation with local parties before being firmed up at the beginning of December.

It was noted that the proposals in this report are therefore currently the subject of consultation with all interested parties. In addition, the Committee was informed that further rounds of consultation would address other aspects of the election plans including integrity and security measures, absent (postal and proxy) voting and the management and policing of polling stations on Election Day. The discussions on the report are outlined as follows.

The Committee:

- Discussed the various benefits on the location of any future election count within or outside of the Borough **e.g.** considering the size and complexity of any future elections;
- Recognised the benefits of locating the count at a venue that can be effectively managed.
- Noted that the intention is at future counts to use independent professional security staff, rather than Council officers, to manage the reception area and entrance to the event.
- Noted and welcomed the recommendation that photographic I/D evidence will be required to secure entry to the count and reinforcement of the rule that no person who is not on the authorised list of attendees will be permitted to enter the count;
- Wished to see the provision of guidance for candidates/election agents on the process/procedures at the count. Therefore, the Committee welcomed the proposal that all attendees at the verification and count will be required to sign a Code of Conduct that will set out the standards of behaviour expected of them and will be a condition of entry;
- Felt that the quality/skills of the staff employed to undertake the count was of great importance. Therefore, the Committee was pleased to

note that the recruitment and training of count staff will begin earlier, and the training will be more comprehensive, ensuring that it fully complements the requirements and Code of Conduct for the candidates, election and counting agents and others entitled to attend the proceedings;

- Acknowledged that although not located within Tower Hamlets, the proposed ExCel centre venue is close to the Borough boundary and is easily accessible by public transport (and for the purposes of delivery of ballot boxes, by car). In addition, it was noted that the ExCel has been used successfully as a count venue at previous elections including the London Mayoral and Assembly elections in 2008 and 2012; and by L. B. Newham Council for local and mayoral elections. A majority of Members of the Committee supported the use of ExCel although Councillors Mahbub Alam, Abjol Miah and Muhammad Ansar Mustaquim did not, as they considered the count should be held within Tower Hamlets
- Agreed that there were benefits in bringing in count staff early so as to undertake a practice run of the count;
- Supported the intention that an experienced senior election official be appointed as a consultant to advise on and oversee the development and implementation of the count plans in order to ensure that the proper focus is maintained on the count-related work. The consultant it was noted would work with a dedicated member of the Facilities Team to ensure the effective management of the count as an event - *i.e.* venue liaison, communications, refreshments, set up of equipment, layout, logistics and contractor liaison, transfer of ballot boxes etc.

It was

Resolved

- To note that report and that the points raised in tonight's discussions be fed into the consultation process, and that a further update on other elements of preparation for the election would be provided at the February meeting of the Committee

7.4 FULL COUNCIL REFERENCE REGARDING PRIMARY SCHOOL PERFORMANCE

The Committee noted that at its meeting on 10th September 2014, Council had considered the following motion on the performance of primary schools in the Borough.

- That in the Bethnal Green and Bow area of the Borough, the percentage of primary school children attending a Local Authority school rated as Outstanding by OFSTED has dropped from 29% five years ago, prior the current administration coming in to office, to 8% this year;

- That in the same area the percentage of pupils attending a primary school rated as Inadequate has gone from 0% five years ago to 7% this year;
- That across the whole Borough the percentage of children attending a primary school rated as Inadequate (4%) is twice as high as any neighbouring borough;
- That the percentage of primary school children attending a school rated as Outstanding in Tower Hamlets (15%) would put it towards the bottom of a local league table of schools; and
- That this is despite Tower Hamlets receiving approximately the third highest funding per pupil in London.

Accordingly, the Council had asked this Committee to investigate the causes for this decline and report back as soon as possible. However, as a result of discussions on the report, it was felt that given the number of pressing issues on the work programme that there was currently insufficient capacity to give the topic the detailed consideration that it required.

It was:-

RESOLVED

- That consideration of the performance of primary schools in the Borough should be referred to next year's Committee for consideration on their work programme so as to allow full and detailed consideration.

8. VERBAL UPDATES FROM SCRUTINY LEADS

The Committee received and noted the following brief verbal updates from the Scrutiny Leads.

Councillor Joshua Peck (Chair Overview and Scrutiny Committee)

The Committee noted that the Challenge session report: The implications of conservation areas for extension of family homes would be submitted to the next meeting.

Councillor John Pierce (Scrutiny Lead for Communities and Culture)

The Committee noted that there is a review of what is being undertaken with regard to Anti-Social Behaviour in the Borough.

Councillor Denise Jones (Scrutiny Lead for Children's Services)

The Committee noted that the next meeting to consider the review of Children's Services would take place on the 3rd December, 2014.

Councillor Abjol Miah (Scrutiny Lead for Resources)

The Committee noted that the spotlight session on Waste Management would be taking place on 19th January, 2015.

Councillor Dave Chesterton (Scrutiny Lead for Development and Renewal)

The Committee noted that the Section 106 Challenge Session would be taking place on 22nd January, 2015.

Councillor John Pierce (Scrutiny Lead for Communities and Culture)

The Committee requested that a briefing paper be prepared to inform the committee about the programme of tree pruning in the Borough.

Councillor Joshua Peck (Chair Overview and Scrutiny Committee)

The Committee was advised that the report on Poplar Town Hall was awaiting clearance by the independent legal adviser and would then be circulated.

9 PRE-DECISION SCRUTINY OF UNRESTRICTED CABINET PAPERS

The following pre-decision questions submitted to the Mayor in Cabinet [03 December, 2014].

Agenda Item 6.1

Interim Disposals Programme

Question: The Committee asked that the Mayor defers the decision on the proposals for the disposal of the land and buildings in Whitehorse Road/Commercial Road until the Commissioners appointed by the Secretary of State are in place.

Summary of response received at Cabinet: We are seeking Cabinet consent to approve the proposed sale of legacy problematic buildings on Whitehorse/Commercial Road. Cabinet resolve to dispose will commence a chain of events that will involve the valuation, appointment of selling agents, updating of planning briefs/statements and preparation of marketing packs, all of which will take a number of months. By the time Officers are ready to present the properties to the open market, likely March 2015, Commissioners will be in place, and having agreed, if necessary, the disposal policy/rationale going forward; there will be the opportunity to halt the sale pending alternative agreements with Commissioners. We suggest that we proceed with readying the properties for sale, thereby limiting continued cost exposure to cyclical squatting, and that we continue to seek Cabinet resolve in December, 2014 to agree the principle of the sale prior to the appointment of Commissioners which will ultimately expedite matters in due course.

In any event, it is important to point out that we have identified likely future property sales to the Secretary of State and that we have only been asked to

enter in to two undertakings not to sell, neither of which relate to Whitehorse/Commercial Road.

Agenda Item 6.3

Renewal of Temporary Accommodation Lease – Relta Limited

Question: The Committee asked for assurances that the 34 properties supplied by Relta Limited for use as temporary accommodation for homeless are fit to live in.

Summary of response received at Cabinet: The properties are currently all occupied and are not unfit for human habitation. As with any property, repair matters will arise during the term of the tenancy and, as circumstances dictate, these would be brought to the attention of the owner's managing agents.

Agenda Item 10.1

Single Equality Framework

Question: The Committee noted on Page 55 of the report that four energy auctions had been held with more than 4,000 residents signed up to the Energy Co-operative, saving an average of £150 on their annual energy bill. However, the Committee wanted to know how that figure of £150 had been calculated and to receive some assurance that the figure is real and robust.

Summary of response received at Cabinet: A strand of work for the Energy Co-operative is the Collective Energy Switching Scheme. Cost savings made on household energy bills is provided through this scheme. Tower Hamlets working collaboratively with all the other London Boroughs set up the Big London Energy Switch (BLES). BLES works with a specialist energy switching provider named ichoosr who use specialist software platform linked to the energy market similar to those used by most cost comparison websites.

When a household registers for the Collective Energy Switching scheme they provide information related to the annual energy consumption, the supplying energy company, the name of the tariff, method of payment, type of meter, type of contract and any discounts they are receiving. When this information is entered in to the specialist software it calculates how much the household spend on their energy on an annual basis.

Once the energy auction had taken place and the winning bidder confirmed, the specialist software applies the winning tariff details to the information provided by the resident at the time of registration. It then compares the annual amount the resident pays on their existing energy tariff compared to what they would be paying under the winning energy tariff and an offer is made to the household based on this comparison.

The individual household's savings are collated to work out the average household savings for the borough.

Agenda Item 10.2

Medium Term Financial Plan

Review of Non-Statutory Independent Reviewing Functions (Ref: ESCW0013/15-16).

Reduce Duplication in Leaving Care Service (Ref: ESCW0057/15-16)

Question:

Given the concerns raised in the Informal Budget Scrutiny meeting with Cllr Choudhury, The Committee asked that the Mayor:

- withdraws the proposal (on page 183 of the report) to de-commission the Independent Reviewing Officers (IROs) for child in need and foster placements
- withdraws the proposal (on page 244 of the report) to reduce the level of Personal Advisor support to care leavers

Summary of response received at Cabinet: These questions will be dealt with at the Informal Scrutiny Budget Workshop meeting on 16 December, 2014.

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

Nil items.

11. EXCLUSION OF THE PRESS AND PUBLIC

Nil items.

12. EXEMPT/ CONFIDENTIAL MINUTES

Nil items.

13. EXEMPT/ CONFIDENTIAL REPORTS 'CALLED IN'

Nil items.

14. PRE-DECISION SCRUTINY OF EXEMPT/CONFIDENTIAL CABINET PAPERS

Nil items.

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

Nil items.

The meeting ended at 10.15 p.m.

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