

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE OVERVIEW & SCRUTINY COMMITTEE

HELD AT 7.15 P.M. ON TUESDAY, 7 APRIL 2015

ST PAUL, OLD FORD. ST STEPHENS ROAD. E3 5JL

Members Present:

Councillor Joshua Peck (Chair)	
Councillor John Pierce (Vice-Chair)	
Councillor Asma Begum	(Scrutiny Lead for Adult Health and Wellbeing)
Councillor Denise Jones	(Scrutiny Lead for Children's Services)
Councillor Peter Golds	(Scrutiny Lead for Law Probity and Governance)
Councillor Abjol Miah	(Scrutiny Lead for Resources)
Councillor Rachael Saunders	(Substitute for Councillor Dave Chesterton)

Co-opted Members Present:

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

Other Councillors Present:

Councillor Marc Francis	(Representing the Call-In Councillors)
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Apologies:

Councillor Dave Chesterton	– (Scrutiny Lead for Development and Renewal)
Councillor Mahbub Alam	–
Councillor Muhammad Ansar Mustaqim	–
Nozrul Mustafa	– (Parent Governor Representative)

Others Present:

Stephen Jacobs - OBE Board Chair	– (Circle Housing)
Mark Rogers - Group Chief Executive	– (Circle Housing)

Officers Present:

Jamie Blake	– (Service Head of Public Realm, Communities Localities and Culture)
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Mark Cairns	– (Senior Strategy, Policy and Performance Officer)
Barbara Disney	– (Service Manager, Strategic Commissioning, Adults Health & Wellbeing)
Ruth Dowden	– (Complaints & Information Manager, Legal Services, Law Probity & Governance)
Maura Farrelly	– (Community Resources Officer - Advice & Anti-Poverty, Third Sector Team, Development & Renewal)
Everett Haughton	– (Third Sector Programmes Manager, Third Sector Team, Development and Renewal)
Chris Holme	– (Acting Corporate Director - Resources)
Rafiqul Hoque	– (Lettings Services Manager, Housing Options Service, Development & Renewal)
Kevin Kewin	– (Service Manager, Strategy & Performance)
Jackie Odunoye	– (Service Head, Strategy, Regeneration & Sustainability, Development and Renewal)
Sarah Williams	– (Team Leader Social Care, Legal Services, Law Probity & Governance)
David Knight	– (Democratic Services Team)

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Dave Chesterton; Councillor Mahbub Alam; Councillor Muhammad Ansar Mustaquim and Nozrul Mustafa.

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTEREST

There were no declarations of disclosable pecuniary interest.

3. UNRESTRICTED MINUTES

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

RESOLVED

That the unrestricted minutes of the meetings of the Overview and Scrutiny Committee held on 3th and 24th March, 2015 be approved as a correct record of the proceedings subject to the following revisions for the 24th March:

Minute 4.2 (3) Delete: THH should show a high level of respect for leaseholders and consider the work being undertaken to improve leaseholder engagement on Major Works in other boroughs. **Insert:** THH should show a high level of respect for leaseholders and consider the work being undertaken to improve leaseholder engagement on Major Works along the lines of the London Borough of Islington.

Minutes 4.2 (7) Delete It receives an explanation as to why there have been vacancies on the TTH Board for such an extended period of time. The Chair indicated that he wanted a response from Corporate Director of Development and Renewal. Officers also agreed to look at the governance arrangements for THH (including the relationship between THH and residents). **Insert:** It receives an explanation as to why there have been vacancies on the TTH Board for such an extended period of time. The Chair indicated that he wanted a response from Corporate Director of Development and Renewal. Officers also agreed to look at the governance arrangements for THH (including those responsible for the appointments).

4. REQUESTS TO SUBMIT PETITIONS

Nil items.

5. UNRESTRICTED REPORTS 'CALLED IN'

The Committee considered and adjudicated on the 'Call In' relating to the Allocations Scheme 2015 and Lettings Plan.

5.1 ALLOCATIONS SCHEME 2015 AND LETTINGS PLAN

The Committee heard that the Allocations Scheme 2015 and Lettings Plan had been considered by the Mayor in Cabinet on 4 March, 2015 and "Called In" in respect of the recommended reduction in the quota of lettings to be allocated to applicants in Band 3 from 10 per cent to 5 per cent.

It was noted that this will have a serious impact on the likelihood of those who are deemed to be "adequately housed" making a successful bid for re-housing. The main points of the discussions may be summarised as follows:

The Committee:

- Heard that as a result of the combination of a reduction in the number of lets to homeless households, the scarcity of available accommodation and the high levels of rent charged to the Council, significant budgetary pressures are being faced. This particularly affects the Housing Benefits budget where a growth bid has been submitted as part of the 2015-16 budget process to set aside additional funding of £1.6 million to finance the pressures that arise from the

effects of welfare reform, together with the impact that high rents have on the Benefits Subsidy received by the Council. Although the Council has a statutory duty to pay benefits, the level of subsidy that is recouped from the DWP is capped.

- Noted that the proposals set out in this report were intended to help to mitigate some of these costs through reducing the numbers of homeless applicants that are placed in bed and breakfast accommodation.
- Felt that this policy would not address that situation and increase the time that some young families will have to live with their parents.
- Expressed concern that some families were currently having to be house outside of London and thereby taking away from their families and communities.
- Heard that this was considered to be a pragmatic temporary measure as the supply of suitable properties is currently severely restricted. Therefore, this proposal is aimed at freeing up properties to address the level of homelessness and keep as many LBTH residents living in the Borough.
- Heard that often those living in temporary accommodation are in properties of good quality and therefore some are unlikely to bid for the available properties waiting for their ideal property even though they have sufficient priority for a move.

As a result of consideration of this report the Chair Moved and it was:-

RESOLVED that:

It is recommended that the Mayor agrees to the retaining of the existing 10 per cent quota for Band 3 applicants for at least a further 12 months.

6. SCRUTINY SPOTLIGHT

6.1 SOCIAL HOUSING PROVIDER – CIRCLE HOUSING

The Committee received and noted a presentation from Stephen Jacobs OBE Board Chair and Mark Rogers - Group Chief Executive of Circle Housing, relating to the standard of housing management on those estates managed by Circle in Tower Hamlets. A summary of the discussion on this item is set out below.

The Committee heard that:

- The Circle Housing Group placed on record their apologies to tenants and leaseholders for the unacceptable standards in their repairs and maintenance service and the impact that this has had on tenants and leaseholders.

- In March the Circle Housing Group had ended their contract with Kier and had appointed Mitie as the primary social housing contractor to deliver responsive repairs for the Group.
- The Circle Housing Group remains committed to the provision of affordable social housing for residents and investing in the delivery of not only of responsive repairs but also planned and cyclical social housing maintenance.
- Circle Housing Group through Routes2Work has supported over 622 people into training; employment and apprenticeships.
- The contract to deliver responsive repairs and cyclical housing maintenance had been let with an emphasis on delivery across the Group nationally. The Committee felt that this had meant that there was not an effective dialogue with local residents; Circle Housing and the appointed contractor.
- Circle Housing will now on a weekly basis check all responsive repairs undertaken by Mitie. In addition, other contractors can be called upon to ensure the prompt and effective delivery of the responsive repairs programme. In addition, the Group's Board now monitor's performance on a bi-monthly basis.
- Circle Housing recognises that they need to re-build trust with tenants and leaseholders and that the Board's Chair intends to develop and maintain an effective dialogue with residents.
- Some tenants and leaseholders had also expressed concern at the low levels of compensation that they had received for the delays regarding repairs.
- The ward councillors felt that Circle Housing had been slow to respond to the poor levels of service delivery to tenants and leaseholders. The Committee indicated that it wanted to receive details of the Compensation Scheme for tenants and residents e.g. regarding repairs.
- The Chair of the Group's Board visited the Borough on a bi-monthly basis and was copied into emails received regarding repairs and followed up every such enquiry from tenants and leaseholders.
- There would be an improved communications strategy including regular newsletters to tenants and leaseholders by the Boards Chair to residents.
- Local tenants and leaseholders are to be encouraged to seek appointment to the Group's Local Board and the Committee asked that this be promoted through the newsletter.
- Circle Housing indicated that in their current recruitment round for board vacancies they would ensure that this is given prominence in all of their communications with tenants and leaseholders.
- Circle Housing is committed to ensuring that local tenants and leaseholders play a role in reshaping the repairs service.
- The Group Chief Executive will in future visit the Borough on a bi-monthly basis to meet with tenants and residents.
- The ward councillors felt that Circle Housing should empower tenants and leaseholders through the establishment of a forum. This forum

should play a role in reshaping services; developing job opportunities; and reviewing service charges for leaseholders.

- The ward councillors wanted a meeting to be convened with those tenants and residents of Gladstone Place regarding the matter of shared ownership;
- There should be a review of the block charges for leaseholders as there had apparently been errors on some blocks in relation to major works bills.;
- There had been issues with regard to the late payment for those tenants and residents who are in receipt of housing benefit and the Committee wanted this to be reviewed including looking at best practice from other areas.
- Heard that there was to be a review of the governance arrangements.

As a result of consideration of this report the Chair Moved and it was:-

RESOLVED that:

1. The Committee receive details of the Compensation Scheme for tenants and residents e.g. regarding repairs;
2. The Group Chief Executive should visit the Borough on a regular basis e.g. so as to meet with tenants and residents;
3. Board vacancies are given prominence in all of the Groups communications with tenants and leaseholders;
4. Circle Housing should establish a joint tenants and residents panel;
5. There needs to be improvement in Circle Housing's engagement with tenants and residents;
6. A meeting should be convened with the tenants and residents of Gladstone Place regarding the matter of shared ownership;
7. Circle Housing should undertake a review of the block charges for leaseholders;
8. Circle Housing should address the concerns around the late payment for those tenants and residents who are in receipt of housing benefit.

7. UNRESTRICTED REPORTS FOR CONSIDERATION

7.1 CIVIC CENTRE

The Committee received and noted a report that contained recommendations in relation to disposals and entering into contracts; provided an update on the status of the acquisition of the site for the new Civic Centre and presented the business case as requested for the new Civic Centre.

The Committee reviewed and questioned officers on the proposal and programme for procurement of new Civic Centre at Whitechapel, including on implications for One Stop Shop and Idea Stores provision. The main points of the discussion are summarised as follows:

The Committee:

- Expressed concern that the sale of properties to fund the procurement of new Civic Centre at Whitechapel would have a negative impact on service provision.
- Heard that the Council must commit to a new civic centre, or face occupying a number of disparate and poorly sited buildings that will lead to inefficiencies and increased costs of operation.
- Heard that the justification for the further consolidation of Council administrative buildings into a purpose built mixed use civic hub had been predicated on the disposal of some if not all current administrative sites and additional surplus sites for the capital receipts to cross fund the new development. All these disposals were also intended to deliver significant new housing to the Borough.
- Heard that the East India Dock was considered to be a poor location to best serve the needs of the borough's residents. East India Dock Estate, whilst reasonably served by public transport is located in the extreme east of the borough in close proximity to Canary Wharf and has perceived problems of customer access and approachability. In addition, development of the complex was being proposed by the landowner and is currently in discussion with Planners.
- Wanted to know if Gladstone Place was sold how the loss of the One Stop Shop and Idea Stores provision would be addressed. In response it was heard that consideration was to be given as to how services would be re-provided from Whitechapel and other refurbished council offices once a new service model had been developed.
- Heard that the Project Board would be chaired by either a Corporate Director or the Head of Paid Service.
- Wanted assurances that Councillors participating in the proposed scrutiny and governance arrangements for the Civic Centre have full and unrestricted access to all of the paper work and documentation throughout the process. In response it was heard that the necessary paperwork would be made available to the Committee.
- Heard that the Commissioners would have to agree any disposals and that the new service delivery model had been developed in consultation with the Commissioners. The Commissioners would also have to be satisfied that the disposals and delivery model had been systematically researched and verified.
- Questioned assumptions on which officers had decided not to recommend rebuilding on the London Electricity Board (LEB) site. This site the Committee felt should be considered as it was felt to provide a more cost effective solution.
- Expressed concerns about cost, timescales, deliverability, effect on the Borough, and the notice provided to members of the purchase, as well as sequence of events which had seen the Council firstly acquire a building and then seek to build a service delivery model around this.

- Heard that 7 potential civic centre options had been tested in the business case. Having previously identified the practical alternatives and the base case of staying in Mulberry Place the results of these alternatives were outlined in the report **e.g.** in each case the available disposal receipt and housing delivery from surplus stock had been modelled.

As a result of consideration of this report the Chair Moved and it was:-

RESOLVED that the Committee:

1. Questioned the assumptions on which officers had decided not to recommend rebuilding on the LEB Building site; and
2. Expressed concerns about cost, timescales, deliverability, effect on the Borough, and the notice provided to members, as well as sequence of events which had seen council firstly acquire a building and then seek to build a service delivery model around this.
3. Wanted assurances that Councillors participating in the proposed scrutiny and governance arrangements for the Civic Centre have full and unrestricted access to all of the paper work and documentation throughout the process.

The responses received are set out in **Appendix 1**

7.2 MAIN STREAM GRANTS (MSG) PROGRAMME UPDATE

The Committee received and noted a report that provided an update on the Main Stream Grants Programme. The Committee heard that the 2012-15 MSG programme continued the same funding streams as the previous 2009-12 programme. It was heard that a more in depth development of the new programme was required. In addition, a number of issues and weaknesses the Committee heard been identified across the current 11 funding streams. These included an imbalance in the spread of provision across wards. In some funding streams resources had been spread too thinly across too many projects; this affects their viability and the quality and impacts of services delivered. In many of the funding streams services are fragmented with a lack of integration and cross-referral between projects.

The Committee noted that Tower Hamlets has an extensive and diverse Third Sector. That plays a key role in the delivery of the Tower Hamlets Community Plan and in improving the lives of all those living and working in the Borough. The sector is diverse with a broad range of organisations types, approaches and skills. Whilst the sector also faces many challenges it can be effectively mobilised to make a significant contribution to the corporate goals of the Council.

The Committee heard that MSG is a useful funding mechanism for deploying Third Sector organisations to support the delivery of the Council's key priorities. The funding can be effectively targeted toward specialist service providers in order to meet clearly articulated community needs and grant agreements can be negotiated with successful service providers to maximise the potential achievement of targeted outputs and outcomes.

The Committee heard that for clarity it should be understood that MSG is a 'commissioned grant' process where desired service outcomes and other requirements are clearly specified within what is effectively a 'tender document'. Grants are treated as 'restricted funds' within an organisation's accounts and can therefore only be spent on the funded activity.

The main points of the discussion may be summarised as follows:

1. The Committee was concerned that there should be adequate provision to ensure access to jobs;
2. The Committee wanted to see services being provided that are ambitious and address those who are in greatest need;
3. The Committee wanted to see a more dynamic and transformational jobs programme that would have a realistic opportunity of getting residents back into work;
4. The Committee heard that the greatest challenge is working with those furthest from the employment market and the Third Sector have a good record of success in delivering such programmes;
5. The Committee heard that LBTH has a process in place to ensure that those organisations in receipt of main stream grants are fit for purpose and they have been subject to the necessary robust checks prior to the signing of any contracts.

As a result of consideration of this report the Chair Moved and it was:-

RESOLVED that:

the Committee should receive details with regards to the number of organisations in receipt of MSG where any questions have been raised regarding their financial health and stability.

7.3 CHALLENGE SESSION REPORT: MEMBER INVOLVEMENT IN SECTION 106 DECISIONS AND THE QUALITY OF SECTION 106 FUNDED SOCIAL HOUSING

The Committee heard that the challenge session had taken place on 22nd January 2015. Overview and Scrutiny had identified a concern amongst some Councillors and residents that the social housing being built in the borough through these agreements is not robust enough, with materials being used which are not suitable for high density housing with a much greater intensity of use than private dwellings. During the election campaign of 2014, the Committee heard that councillors out canvassing witnessed, at first-hand, the

wear and tear on some of the properties, many of which were less than 15 years old, and heard from residents that this was having a detrimental effect on their quality of life.

The Committee was advised that focus of this challenge session had been to explore whether there was an issue with the design and build quality of some of the affordable housing in the borough provided through S106 planning obligations; and, if so, what changes to planning policy, practice or procedures could be made to address these concerns, whilst still ensuring the continued provision of affordable housing in the Borough. The session had been chaired by Councillor Dave Chesterton, Scrutiny Lead for Development and Renewal.

As a result of consideration of this report the Chair Moved and it was:-

RESOLVED to:

1. Agree the draft report and the recommendations contained in it; and
2. Authorise the Service Head for Strategy & Equality to amend the draft report before submission to Cabinet, after consultation with the scrutiny review group.

7.4 CHALLENGE SESSION REPORT: IMPROVING CYCLING SAFETY

The Committee heard that this report outlined the findings of a Scrutiny Challenge session held in January 2015 to help identify cost effective measures that can be implemented to improve cycling safety. It also outlined a number of recommendations to improve practice and performance in this area.

The Committee was informed that in recent years, cycling had grown in popularity for both work and pleasure. The Government aims to make cycling a more convenient, attractive and realistic choice for short journeys, especially those made to work and school. It cites the need to reduce congestion, improve health outcomes and create more pleasant places to live as key issues that cycling can help address. However, as cycle usage has grown, the potential for conflict with other road users including motorists and pedestrians, together with the overall safety of cyclists, has become an area of increasing concern. In addition, it was noted that the session had been underpinned by three core questions:

1. What has been the general response to date from cyclists in the Borough to the measures introduced both in terms of training and infrastructure improvements?
2. What further cost-effective measures can the Council implement to improve cycle safety?
3. What issues/areas of concern do cyclists want the Council to address specifically that have not already been acknowledged in the London Cycling Campaign ward asks for Tower Hamlets

As a result of consideration of this report the Chair Moved and it was:-

RESOLVED that:

1. The following amendment to one of the recommendations be moved and passed: “The Council explores the costs and feasibility of an affordable scheme in partnership with the Borough’s registered providers for the provision of secure estate cycle parking” and amend to “The Council explores the costs and feasibility of the provision of secure cycle parking across the Borough”.
2. The revised draft report be agreed and the recommendations contained within it for submission to Cabinet; and
3. The Service Head for Corporate Strategy and Equality is authorised to amend if necessary the draft report before submission to Cabinet, after consultation with the Challenge Session Chair.

7.5 COMPLAINTS AND INFORMATION GOVERNANCE SIX-MONTH REPORT

The Committee received and noted a report that outlined information regarding the Council’s handling of complaints and information requests in the first half of 2014/2015.

It was noted that it is good practice for the Council to consider its performance in both complaints handling and responses to information requests. An annual report is therefore prepared which provides more detailed information, but this six-month report provides an overview of the direction of travel, summarising volumes and performance at a high level.

The main points of the discussion may be summarised as follows:

- A 15% rise in FOI requests in the first quarter had seen performance dip to 77%;
- Whilst the volumes of FOI requests remained high in the second quarter an improvement in performance to 91% was achieved;
- SAR performance rose from 45% in quarter 1 to 76% in quarter 2;
- The Council’s performance in respect of information requests remains subject to close monitoring;
- Performance on responding to corporate complaints had remained broadly on target with for all stages of the corporate complaints process;
- The second quarter had seen a dip in performance for adult social care complaints, with 66% completed in 20 working days.
- There is a need to improve performance in respect of children’s social care complaints; law probity and governance and complaints to the local government ombudsman.

- There is an ongoing dialogue with THH regarding complaints handling to ensure that complaints are properly addressed and that THH provide clarity on what is the trigger for the commencement of any complaints process.

As a result of consideration of this report the Chair Moved and it was:-

RESOLVED that:

The Committee note the report.

7.6 STRATEGIC PERFORMANCE AND BUDGET REPORT: QUARTER 3

The Committee had received and noted a report that detailed the financial outturn position of the Council at the end of Quarter 3 compared to budget, and service performance against targets. This it was noted had included the projected year-end position for the:

1. General Fund Revenue, Housing Revenue Account and Capital Programme; and
2. An overview of performance for all of the reportable strategic measures.

In considering the report the Committee expressed concern in relation to the delivery of affordable homes, GCSE results and crime performance, including violence with injury.

As a result of consideration of this report the Chair Moved and it was:-

RESOLVED that:

The Committee note the report.

8. VERBAL UPDATES FROM SCRUTINY LEADS

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

- Councillor J. Peck – 8th April, 2015 2:00 pm – 5:00 pm Town Centre Policy;
- Councillor A. Begum – A Challenge Session on Care was to be convened;
- Councillor J. Pierce – The report on the outcome of the Challenge Session on Drug Related Anti-Social Behaviour was scheduled to come to the May meeting of the Committee; and
- Councillor D Jones – The report from the Challenge Session on Literacy was in the process of being drafted.

9. PRE-DECISION SCRUTINY OF UNRESTRICTED CABINET PAPERS

The following pre-decision questions were submitted to the Mayor in Cabinet 8th April, 2015.

Agenda Item 6.3

Property Procedures Disposals and Lettings

Page 127 Section 3.3 Step 2 – What record is kept regarding any interested parties viewing the premises?

Page 127 Section 3.3 Step 4 – Who has responsibility for the receipt and logging of the application forms?

Page 127 Section 3.4 Step 1 – As this is a policy decision that is a change of practice where is the specific advice on the implications of this policy change?

Page 128 Section 3.5 Step 1 – Who decides if a building continues to be a/or is designated as a community building?

Page 129 Section 3.6 Step 2 – There are a number of steps missing before this Step e.g. advertising of the property; consideration of appropriate use; lease restrictions; any works linked to the building and the overall role that the building is to play in the future regenerations of an area.

Page 129 Section 3.6 Step 3 – What criteria is used to judge if the interview process has been a success?

Page 130 Section 3.7 Step 2 – Where in the process of preparing a new lease is the consideration given to the Council's position e.g. Protection for the Council should there be a need to break the lease agreement?

Page 132 Section 4.0 Step 2 – Regarding the processes relating to the decision how to sell who decides that the sale will be by Auction or Tender?

Page 133 Section 4.0 Step 3 – Regarding Tenure there needs to be clarity on who makes the actual decision to sell?

Page 134 Section 4.0 Step 6:

Points B; E; H; L and M

(b) All viewings to be logged;

(e) & (f) Clarity is needed on the deadlines e.g. is it when an offer is received by the Service Head or the time/date when it is received by the Council;

(h) The logging of the offers received should be logged in a book and not a loose leaf folder;

- (l) The inclusion of information such as the bidders track record is too subjective;
- (m) Line 1 delete the word “Any discussion” and insert “each and every discussion” question and Line 5 delete “the discussion” and insert “each and every discussion”;

Page 136 Section 4.2 - Clarity is required on why a late offer would be accepted.

The responses received are set out in **Appendix 2**

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

Nil items

11. EXCLUSION OF THE PRESS AND PUBLIC

The agenda circulated contained no exempt/ confidential business and there was therefore no requirement to exclude the press and public to allow for its consideration.

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 10.45 p.m.

Chair, Councillor Joshua Peck
Overview & Scrutiny Committee

