

**LONDON BOROUGH OF TOWER HAMLETS**

**RECORD OF THE DECISIONS OF THE CABINET**

**HELD AT 5.34 P.M. ON TUESDAY, 6 OCTOBER 2015**

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

**Members Present:**

Mayor John Biggs	
Councillor Sirajul Islam	(Statutory Deputy Mayor and Cabinet Member for Housing Management & Performance)
Councillor Rachael Saunders	(Deputy Mayor and Cabinet Member for Education & Children's Services)
Councillor Rachel Blake	(Cabinet Member for Strategic Development)
Councillor David Edgar	(Cabinet Member for Resources)
Councillor Ayas Miah	(Cabinet Member for Environment)
Councillor Joshua Peck	(Cabinet Member for Work & Economic Growth)
Councillor Amy Whitelock Gibbs	(Cabinet Member for Health & Adult Services)

**Other Councillors Present:**

Councillor Khaled Uddin Ahmed	
Councillor Rajib Ahmed	(Deputy Speaker of the Council)

**Officers Present:**

Luke Addams	(Interim Director of Adult's Services)
Monju Ali	(Project Officer)
Katherine Ball	(Senior Accountant, Development & Renewal)
Andy Bamber	(Service Head Safer Communities, Crime Reduction Services, Communities, Localities and Culture)
Melanie Clay	(Director, Law Probity and Governance)
Zena Cooke	(Corporate Director, Resources)
Aman Dalvi	(Corporate Director, Development & Renewal)
Tony Evans	(Senior Business Executive)
Stephen Halsey	(Head of Paid Service and Corporate Director Communities, Localities & Culture)
Paul Leeson	(Finance Manager, Development & Renewal)
Adele Maher	(Strategic Planning Manager, Development and Renewal)
Niall McGowan	(Housing Regeneration Manager)
Jackie Odunoye	(Service Head, Strategy, Regeneration & Sustainability, Development and Renewal)
Kelly Powell	(Acting Head of Communications)
Louise Russell	(Service Head Corporate Strategy and Equality, Law Probity & Governance)
David Tolley	(Head of Consumer and Business Regulations)

Matthew Vaughan  
Owen Whalley

Debbie Jones  
Matthew Mannion

Service, Safer Communities, Communities  
Localities & Culture)  
(Political Adviser to the Conservative Group)  
(Service Head Planning and Building Control,  
Development & Renewal)  
(Interim Corporate Director, Children's Services)  
(Committee Services Manager, Democratic  
Services, LPG)

## **1. APOLOGIES FOR ABSENCE**

Apologies for absence were received on behalf of:

- Councillor Shiria Khatun (Deputy Mayor and Cabinet Member for Community Safety)
- Councillor Asma Begum (Cabinet Member for Culture)

## **2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS**

There were no declarations of Disclosable Pecuniary Interests.

## **3. UNRESTRICTED MINUTES**

### **DECISION**

1. That the unrestricted minutes of the Cabinet meeting held on Tuesday 8 September 2015 be agreed and signed by the Chair as a correct record of proceedings.

## **4. OVERVIEW & SCRUTINY COMMITTEE**

### **4.1 Chair's Advice of Key Issues or Questions**

Nil items.

### **4.2 Any Unrestricted Decisions "Called in" by the Overview & Scrutiny Committee**

Nil items.

**5. UNRESTRICTED REPORTS FOR CONSIDERATION****5.1 Food Law Report of 2015/16 and review of 2014/15****DECISION**

1. To approve the Tower Hamlets Food Law Enforcement Plan 2015/2016 and Food Sampling Policy attached at the Appendix of the report.

**Action by:****CORPORATE DIRECTOR, COMMUNITIES, LOCALITIES AND CULTURE  
(S. HALSEY)**

(Service Head, Safer Communities (A. Bamber)

(Head of Consumer and Business Regulations (D. Tolley)

**Reasons for the decision**

Under the powers given to it by the Food Standards Act 1999 The Food Standards Agency (FSA) oversees and monitors how Local Authorities enforce food safety legislation. The FSA require all Local Authorities to produce and approve an annual plan that sets out how they are going to discharge their responsibilities. The annual plan is at Appendix One.

**Alternative options**

If the Council takes no action the FSA has the power to remove food safety responsibilities and engage another authority to deliver the service. The likely scenario would be for a neighbouring local authority to be seconded to provide this service. If this did happen the Council would still have to fund the service but would lose Member and management control of it.

**5.2 Gambling Policy [Pre-Consultation]****DECISION**

1. To agree the forward programme for revising the Gambling Policy
2. To agree that the proposed consultation should be based on the existing Policy updated in accordance with guidance from the central government agencies.

**Action by:****CORPORATE DIRECTOR, COMMUNITIES, LOCALITIES AND CULTURE**

(Service Head, Safer Communities (A. Bamber)

(Head of Consumer and Business Regulations (D. Tolley)

**Reasons for the decision**

All relevant local authorities have to review their gambling policy, as one of the responsibilities they have, under the Gambling Act 2005.

The purpose of the policy is to define how the responsibilities under the Act are going to be exercised and administered.

A statutory consultation process must take place prior to the adoption of the revised Gambling Policy by full Council.

### **Alternative options**

Pursuant to the Gambling Act 2005, the Council is a responsible authority for the licensing of premises used for gambling. If the Council did not have a policy it would be acting ultra vires with regards to any decisions it makes determining gambling premises licences.

The Gambling Commission has laid down requirements which the Council must follow with regards to the Gambling Policy. If these requirements are not followed, the Council could be at risk of judicial challenge. The Gambling Commission guidance has been followed in drafting the revised Gambling Policy. The policy is limited to considering the elements covered by the licensing objectives. The Council must follow the guidance laid down by the Gambling Commission.

## **5.3 South Quay Master Plan Supplementary Planning Document**

The **Mayor** noted the additional submission received

### **DECISION**

1. To adopt the South Quay Masterplan SPD (contained in Appendix 1 to the report) and approve its supporting documents (contained in Appendices 2-7 to the report).
2. To agree that upon adoption of the South Quay Masterplan SPD, the Millennium Quarter Masterplan SPD (2000) will be revoked.
3. To note the late submission received on behalf of the Ballymore Group.

### **Action by:**

#### **CORPORATE DIRECTOR, DEVELOPMENT AND RENEWAL (A. DALVI)**

(Service Head, Planning and Building Control (O. Whalley)

(Strategic Planning Manager (A. Maher)

(Planning Officer (T. Clarke)

### **Reasons for the decision**

The Council identified a need for further guidance in addition to existing planning policies to help steer future development within the South Quay area.

It will better allow the existing and future community to benefit from development, delivering the Local Plan vision which is to create “a well-designed, vibrant and above all, a great place to live” in South Quay and the Masterplan vision to create “A thriving dockside urban neighbourhood of varied densities integrated with the wider area and home to a diverse community.”

There are around thirty potential development sites within the South Quay area, each in different ownership. This presents challenges and opportunities for coordinating development proposals and managing their impacts. The SPD is considered necessary to ensure that development coming forward does so in a co-ordinated and planned way.

The Council recognises that together these sites bring collective opportunities to create a high-quality, coherent but varied built environment.

### **Alternative options**

The Council's Local Plan, comprising the Core Strategy (2010) and Managing Development Document (2013), provides a vision and strategic objectives for the borough and individual places including those found in South Quay (Millwall & Cubitt Town). This, along with the London Plan, are used to guide and support development in the South Quay area. However, without the specific design guidance illustrated in the Masterplan, development could be disjointed resulting in a poorly used public realm interspersed between isolated tall buildings.

The Masterplan has also provided guidance on the additional social infrastructure needed to support both the existing and future communities in South Quay.

## **5.4 Housing Resources and Capital Delivery**

### **DECISION**

1. To authorise the Corporate Director, Development & Renewal
  - a. to return the GLA grant element as it applies to the development schemes at Ashington East, Hereford and Locksley
  - b. to give up the additional borrowing awarded under the Local Growth Fund in respect of sites at Baroness Road and Jubilee Street.
2. To agree the removal of the small sites at Brick Lane, Spelman Street, Christian Street, and Mile End Road from the programme on the basis that they do not represent an effective use of Council resources.
3. To approve the adoption of a capital estimate of £10 million in pursuit of a revised development programme to be funded from Right To Buy receipts, in order to enable the appointment of professional services, including technical advisors, architects, employer's agents, surveys, and allow the schemes detailed in the table at paragraph 3.11.3. to be developed up to RIBA stage 3.
4. To adopt a capital estimate of £27.3 million for the purchase of up to a maximum of 85 former social housing leasehold and/or freehold stock in the borough, subject to these satisfying conditions of affordability and good quality management.

5. To agree a capital estimate of £7.06 million be allocated for the creation of a Local Affordable Housing Grant scheme subject to the Commissioners' decision as required by the 2014 Directions.
6. To authorise the Director, Development & Renewal, to procure services and works and to let contracts in the delivery of the new homes in as far as required to fulfil recommendation 3 above.
7. To authorise the Director, Development & Renewal, to purchase social housing leasehold or freehold stock in the borough as per paragraph 4 above, including properties with a purchase value exceeding £250k and to procure services and works to bring the properties up to the required standards for letting to social tenants.
8. To note that an enhanced development programme with an indicative value of £115 million for the delivery of circa 400 new homes is being assessed for inclusion within the capital programme. This will incorporate a review of the developments included in recommendation 1.
9. To note that should schemes not proceed following development to RIBA stage 3, these costs will be abortive and therefore must be charged to revenue. If so, the costs will be financed from revenue resources earmarked to finance a Revenue Contribution to Capital expenditure.
10. To note that the proposed programme is currently over-programmed to allow for medium term planning, however the schemes will not progress beyond RIBA Stage 3 unless the total funding on a scheme by scheme basis is in place.
11. To note that a Resident Communication and Engagement Strategy will be developed and implemented for the delivery of the Capital Development Programme.

**Action by:****CORPORATE DIRECTOR, DEVELOPMENT AND RENEWAL (A. DALVI)**

(Service Head, Strategy, Regeneration, Sustainability and Housing Options  
(J. Odunoye)

(Service Head, Resources and Economic Development)

(Strategic Housing Manager (J. Coker)

**Reasons for the decision**

The report presented to Cabinet on 28th July 2015 set out the issues arising from recent government announcements. The most recent policy announcements were made in July 2015 as part of the government's Summer Budget (July 8th 2015) and are projected to have a profound long-term impact on both Local Authority HRAs and Registered Providers. The main announcement was that, from April 2016, social rents will be cut by 1% for four years.

The Council has accumulated significant retained receipts from the disposal of properties under Right to Buy legislation. These must be used for the provision of new social housing in accordance with the terms of the agreements that the Council has entered into with the DCLG. The RTB receipts accumulated by the Council are referred to in paragraph 3.2. The market conditions are such in Tower Hamlets that these are likely to continue increasing for the foreseeable future. The conditions for the use of these receipts prevent the Council from using them in the course of usual business, in maintaining existing properties, including in regeneration schemes. One-for-one RTB receipts can only be used to fund up to 30% of the cost of rented affordable units. The Treasury also prevents their use in combination with HCA/GLA grant funding and additional borrowing specifically granted by central government under the Local Growth Fund.

The impact of these two factors on the Housing Revenue Account (HRA) were detailed in the July 2015 Cabinet Report on the HRA and a strategy was outlined in order to address it. This current report sets out a three part programme and introduces new approaches alongside the traditional house building approach. The Council is seeking to meet the deadline for the expenditure while at the same time targeting client groups who have a specific housing need.

In addition, the government's proposal to extend the RTB to housing association tenants is intended to be partly funded through the sale of high value Council housing assets. The stated intention is that local authorities will sell their high value stock when it becomes void, and that an element of the resulting receipts will be used to provide compensation to housing associations. The impact of these policies is likely to have an adverse effect on the Council's capital programme; in the light of this making best use of retained RTB receipts represents a prudent use of resources.

### **Alternative options**

The delivery of new affordable housing to be let at rent levels set at a maximum Affordable Rent of 80% of market rent (the definition of affordable by the GLA) is one option which some Housing Associations and boroughs have adopted. In Tower Hamlets, rents set at 80% of market rents are not considered affordable to the client groups identified by the Council as being in need of housing. Rents are very high in the borough due to the proximity to the financial districts, the regeneration of East London and to the London factor. Not only does the Council consider that this option does not meet housing need, but the Mayor has set up a Housing Policy and Affordability Commission which is due to report in December 2015.

Doing nothing has been considered as it would remove the pressure on the HRA. It would result in the Council having to return RTB receipts to central government with interest (compounded 4% above base rate), thereby reducing resources currently available in the HRA. The receipts would be reallocated to all boroughs and there would be no guarantee that the investment would be in LBTH. Further details of the conditions of usage set

out by DCLG can be viewed in the linked Cabinet Report dated 28th July 2015.

The loss of the RTB Receipts together with the payment of the interest is likely to be less than the capital expenditure needed to deliver new homes (using a funding profile of 30% RTB Receipts and 70% borrowing). However, such a position would be the opposite of the strong case boroughs have put to central government, namely that housing is at a critical point in the capital and that resources are needed to provide affordable housing.

Giving up the one-for-one RTB receipts would imply that the Council would not take the opportunity of exercising greater control over its development schemes. Freed of grant conditions that limit the application of funding sources and that constrain a flexible approach to rent levels, the Council would be free to shape its own development programme, targeting its own priorities and to make use of RTB receipts to do so.

In considering whether to return the RTB receipts to central government, the Council has a duty to consider not only the financial impact on the HRA but also the provision of affordable housing, the acute housing need in the borough, and service enhancements made possible through the use of the RTB Receipts. i.e. a substantial development programme much greater than the current traditional programme achieved through the use of low levels of GLA grant or the recent additional borrowing from CLG.

## 5.5 CPO - Aberfeldy Estate Regeneration Programme Phase 3-6

The **Mayor** stated that he wished to review the Indemnity Agreement before it was signed to ensure that it covered all the points that had been raised in the meeting (to be set out in the minutes) and therefore agreed the recommendations with that amendment.

### DECISION

- 2.1 To agree the making, confirming and implementation of a Compulsory Purchase Order (CPO) to include specific land interests that must be acquired to facilitate the redevelopment by Poplar HARCA of Aberfeldy Estate phases 3-6, to provide new housing and estate regeneration.
- 2.2 Subject to recommendation 2.6, delegate to the Corporate Director of Development and Renewal, after consultation with the Director of Law, Probity and Governance (or their nominee), the power to effect the making, confirming and implementation of the CPO and to take all necessary steps to give effect to the CPO in respect of the land shown edged red on the plan at **Appendix 1** including, but not limited to, the following procedural steps:
  - 2.2.1 Acquiring all known interests in land and any additional interests identified through the land referencing process within the CPO boundary, as shown at **Appendix 1**,



either by private agreement or compulsorily, including those specific interests listed in **Appendix 3**.

- 2.2.2 Appointing land referencing agents, making the CPO, the publication and service of any press, site and individual notices and other correspondence for such making.
  - 2.2.3 Monitoring of negotiated agreements by Poplar HARCA with land owners or others as applicable, setting out the terms for withdrawal of objections to the CPO, including where appropriate seeking exclusion of land or new rights from the CPO.
  - 2.2.4 Seeking confirmation of the CPO by the Secretary of State (or, if permitted, by the Council pursuant to Section 14A of the Acquisition of Land Act 1981), including the preparation and presentation of the Council's case at any Public Inquiry which may be necessary.
  - 2.2.5 Publication and service of notices of confirmation of the CPO and thereafter to execute and serve any General Vesting Declarations and/or notices to treat and notices of entry, and any other notices or correspondence to acquire those interests within the area.
  - 2.2.6 Issuing of General Vesting Declarations and/or Notices to Treat in respect of the land/interests within the area edged red on the plan at **Appendix 1** and those listed at **Appendix 2**.
  - 2.2.7 Referral and conduct of disputes, relating to compulsory purchase compensation, at the Upper Tribunal (Lands Chamber).
  - 2.2.8 Transfer of any land interests compulsorily acquired by the Council to Poplar HARCA, for nil consideration, within a timescale to be agreed with Poplar HARCA.
  - 2.2.9 To agree the terms and conditions, including any consideration, of the transfer of the freehold or long leasehold interests to Poplar HARCA of the three land parcels referred to below and enter into such documentation necessary to complete the transactions.
  - 2.2.10 To invoke its powers under section 237 of the Town and Country Planning Act 1990, or any other enabling power, to manage any Rights of Lights claims that may arise, including issuing any compensation payments.
- 2.3 To agree that the delegation set out in 2.2.9 should include the finalisation of all terms and conditions, including any financial

consideration, for the transfer of the freehold interests to Poplar HARCA of the three land parcels described in section 10 (Land Disposal) below and identified on the plan at **Appendix 2**, the plots of land which are currently in the freehold ownership of the Council and are required by Poplar HARCA for the purposes of the delivery of the regeneration. The sites are:

- The 'Community Access Centre' and Multi Use Games Area on Aberfeldy Street on long lease to Poplar HARCA
- Kirk Michael Road and adjoining pavement
- The pavement fronting the existing shops at No.25-55 Aberfeldy Street

- 2.4 Determine that the use of CPO powers is exercised after balancing the rights of individual property owners with the requirement to obtain vacant possession of the site.
- 2.5 Determine that the interference with the human rights of the property owners affected by these proposals, and in particular their rights to a home and to the ownership of property, is proportionate, given the adequacy of their rights to object and to compensation, and the benefit to the economic, social and environmental well-being of the areas of Tower Hamlets affected by these proposals.
- 2.6 Delegate to the Corporate Director, Development and Renewal, in consultation with the Director of Law Probity and Governance (or their nominee) and the Mayor, the power to agree the terms of and enter into an Indemnity Agreement with Poplar HARCA which provides a framework for the respective obligations of the Council and Poplar HARCA in the promotion and application of powers, including an obligation for the Council to transfer the land to Poplar HARCA for nil consideration, and the ability for the Council to recover its costs in conducting and managing the CPO, including all compensation costs to be paid.

**Action by:**

**CORPORATE DIRECTOR, DEVELOPMENT AND RENEWAL (A. DALVI)**

(Service Head for Strategy, Regeneration and Sustainability (J. Odunoye)

(Housing Regeneration Manager (N. McGowan)

(Projects Officer (M. Ali)

**Reasons for the decision**

The proposed CPO resolution will progress the Council's regeneration aims by enabling its provider/partner Poplar HARCA to roll out and deliver phases 3-6 of a major regeneration scheme on the Aberfeldy Estate. Poplar HARCA has requested that the Council exercises its powers to make a single CPO to safeguard land assembly across the proposed regeneration area, so that the scheme can be delivered in a timely and cost effective way, thus guaranteeing delivery of the social housing and other associated regeneration benefits for the community, whilst minimizing delays and additional costs to future phases.

Poplar HARCA will endeavour to acquire all of the affected land interests on a voluntary basis. Council officers are monitoring Poplar HARCA's negotiations, but this approach now needs to be supported by the formal use of Compulsory Purchase Powers. The CPO process would run in tandem with Poplar HARCA's efforts to secure vacant possession voluntarily, helping to ensure that land interests can ultimately be acquired, thus enabling the proposed re-development scheme to progress without indeterminate delays.

Under the single CPO approach it is expected that any land acquired through the CPO process will be vested only when it is needed to enable the next phase, which will allow time for Poplar HARCA to secure voluntary settlements wherever possible, alongside the CPO process, which is in line with the approach the Council has adopted in recent years for itself and on behalf of regeneration partners.

The regeneration scheme is described in section 6, further to the already approved outlined planning consent for the whole scheme, additional planning approvals required under reserved matters are in place for phases 1 and 2 (with phase 1 nearly complete and phase 2 under construction) and a further reserved matters application has been submitted to the Council's Planning Department for phase 3. The scheme is therefore well underway and Poplar HARCA has asked that the CPO is made as soon as possible to help achieve land assembly for phase 3, particularly as this is due to start in 2016 and also includes much of the community hub elements. This phase and future phases maybe at risk if the CPO is not made. Council officers have been liaising closely with Poplar HARCA to review its strategy for land assembly and its approach to negotiations with affected land interests, which are underway.

### **Alternative options**

The alternative option is to NOT agree to the proposed CPO. Poplar HARCA has stated that without a commitment from the Council to use CPO powers to support the delivery of the land assembly, it may not be able to progress the scheme, as the cost risk will be too high. In this instance negotiations by Poplar HARCA with individual land interests would continue, but the absence of a back-up CPO process could potentially have negative impacts, including:

- Risk of losing specific planned investment and commitment by Poplar HARCA to provide comprehensive regeneration across the wider area, including:
  - New affordable homes for people in housing need
  - Community hub with health and faith provision
  - New retail provision
  - Public realm and general neighbourhood regeneration
  - Planned investment in training and apprenticeships
- Risk of losing cross-subsidy from the homes for sale to provide the affordable homes in each phase.

- Risk to the land assembly, which cannot be guaranteed without resorting to compulsory purchase; thus development of the proposed new homes and estate regeneration would be jeopardised, or at the very least delayed. Delay leads to higher costs of land assembly and build costs, which in turn impacts upon overage and the level of additional affordable homes for the scheme as set out in the s106 Planning Agreement.
- Potentially higher costs for Poplar HARCA, i.e. by necessitating acquisitions at a higher than market value, which in turn could reduce scheme funding, the amount of affordable housing or overall financial viability.
- Uncertainty for tenants and leaseholders as to whether the scheme will progress, which will make it harder for them to make informed decisions about their future, or to get alternative accommodation which meets their requirements.
- Without a statutory CPO there would be no obligation on Poplar HARCA to reimburse leaseholders' additional costs for reaching voluntary settlements, such as surveying and legal fees.

Poplar HARCA has advised that it experienced difficulties in securing voluntary settlements on Phase 2 of the scheme which led to delays, and accordingly is urging that the Council supports its on-going negotiation efforts for future phases with the use of precautionary CPO powers.

Any liabilities which the Council may assume in becoming the 'Acquiring Authority' by making the CPO will be indemnified by Poplar HARCA in an agreement which will set out the responsibilities and requirements of both parties and fully underwrite the Council's costs.

## **5.6 Strategic Performance, General Fund Revenue Budget and Capital Programme Monitoring 2015/16 Q1**

### **DECISION**

1. Note the Council's financial performance compared to budget for 2015/16 as detailed in Sections 2 to 5 and Appendices 1-4 of this report.
2. Review and note performance for strategic measures and Strategic Plan activities in Appendix 5.
3. Note details of Ashington East Capital Programme included in the report titled 'Housing Resources and Capital Delivery', agenda item 5.4

**Action by:****CORPORATE DIRECTOR, RESOURCES (Z. COOKE)**

(Service Head, Corporate Strategy and Equality (L. Russell)

(Chief Accountant (K. Miles)

**Reasons for the decision**

Good financial practice requires that regular reports be submitted to Council/Committee setting out the financial position of the Council against budget, and its service performance against targets.

The regular reporting of the Strategic Performance and Corporate Revenue and Capital Budget Monitoring should assist in ensuring that Members are able to scrutinise officer decisions.

**Alternative options**

The Council reports its anticipated annual outturn position against budget for both revenue and capital net spend. It also reports its strategic performance.

Significant variations, trends and corrective action are reported in the body and appendices of the report. No alternative action is considered necessary beyond that included below and this report is produced to ensure that Members are kept informed about decisions made under the delegated authority.

**5.7 Contracts Forward Plan 2015/16 Q2 and Q3****DECISION**

1. To consider the contract summary at Appendix 1 to the report.
2. To confirm that all contracts may proceed to contract award after tender.
3. To authorise the Service Head - Legal Services to execute all necessary contract documents in respect of the awards of contracts referred to at recommendation 2 above.

**Action by:****CORPORATE DIRECTOR, RESOURCES (Z. COOKE)**

(Head of Procurement (Z. Ahmed)

**Reasons for the decision**

The Council's Procurement Procedures require submission of a quarterly forward plan of contracts for Cabinet consideration, and it is a requirement of the Constitution that "The contracting strategy and/or award of any contract for goods or services with an estimated value exceeding £250,000, and any contract for capital works with an estimated value exceeding £5,000,000, shall be approved by the Cabinet in accordance with the Procurement Procedures".

This report fulfils these requirements for contracts to be let during and after the period Q2 and Q3 of the Financial Year.

### **Alternative options**

Bringing a consolidated report on contracting activity is considered the most efficient way of meeting the requirement in the Constitution, whilst providing full visibility of contracting activity; therefore no alternative proposals are being made.

## **5.8 Scrutiny Review: Contract Specification and Management in Tower Hamlets**

### **DECISION**

1. To consider this report of the scrutiny working group and agree the action plan in response to the review recommendations.

### **Action by:**

**SERVICE HEAD, CORPORATE STRATEGY AND EQUALITY (L. RUSSELL)**

(Corporate Strategy and Equality Officer (G. Hussain))

### **Reasons for the decision**

In 2013/14 the Council spent £355.5 million on procuring goods and services. Tower Hamlets Council, like other local authorities, has been presented with significant reductions in its spending powers. By the end of 2015/16 the Council expects to have delivered a cumulative saving in excess of £118 million since the spending review of 2010.

In light of the financial pressures faced by the council the review sought to explore the existing approach to procurement and contract management to ensure it effectively balanced the need to achieve value for money whilst still delivering effective services and wider social benefits. The focus of the challenge session was underpinned by three core questions;

- a) How does value for money and quality of service provision inform contract specification and management?
- b) What options are available for improving value for money and quality of service provision from contracts?
- c) What are the challenges faced by the Council in securing its requirements (including financial and community benefits) within the existing framework?

In light of the current procurement exercise being undertaken by the council to secure waste management services as of 2017 and a London Councils' report noting waste management to be typically the third largest area of spend for London authorities after education and social care, this area was chosen as a case study for the purposes of this enquiry.

**Alternative options**

To take no action. This is not recommended. The proposed response includes activities set out and agreed in the Best Value Procurement Action Plan produced in response to directions from the Secretary of State. A timetable for delivering the recommendations has also been agreed by officers. The action plan is outlined in Appendix Two.

To agree some, but not all, recommendations. All of the recommendations are achievable at little additional cost to the organisation.

**5.9 Corporate Directors' Decisions****DECISION**

1. To note the Corporate Directors' decisions set out in Appendix 1 to the report.

**Action by:****CORPORATE DIRECTOR (Z. COOKE)**

(Accountant – Financial Planning (A. Kadir))

**Reasons for the decision**

Financial Regulations require that regular reports be submitted to Cabinet setting out financial decisions taken under Financial Regulation B10.

The regular reporting of Corporate Directors' Decisions should assist in ensuring that Members are able to scrutinise officer decisions.

**Alternative options**

The Council is bound by its Financial Regulations (which have been approved by Council) to report to Cabinet setting out financial decisions taken under Financial Regulation B10.

If the Council were to deviate from those requirements, there would need to be a good reason for doing so. It is not considered that there is any such reason, having regard to the need to ensure that Members are kept informed about decisions made under the delegated authority threshold and to ensure that these activities are in accordance with Financial Regulations.

**5.10 List of Mayor's Individual Executive Decisions****DECISION**

1. To note the Individual Mayoral Decisions set out in Appendix 1 to the report.

**Action by:****COMMITTEE SERVICES MANAGER (M. MANNION)**

**Reasons for the decision**

This is a noting report to aid transparency.

The reasons each decision were taken are set out in their specific reports.

**Alternative options**

The alternative option would be to not produce this report, but that would not aid transparency of decision making.

**6. ANY OTHER UNRESTRICTED BUSINESS CONSIDERED TO BE URGENT**

Nil items.

**7. EXCLUSION OF THE PRESS AND PUBLIC**

Nil items.

**8. EXEMPT / CONFIDENTIAL MINUTES**

Nil items.

**9. OVERVIEW & SCRUTINY COMMITTEE**

**9.1 Chair's Advice of Key Issues or Questions in Relation to Exempt / Confidential Business**

Nil items.

**9.2 Any Exempt / Confidential Decisions "Called in" by the Overview & Scrutiny Committee**

Nil items.

**10. ANY OTHER EXEMPT/ CONFIDENTIAL BUSINESS CONSIDERED TO BE URGENT**

Nil items.

The meeting ended at 6.40 p.m.

John S Williams  
SERVICE HEAD, DEMOCRATIC SERVICES