MINUTES OF THE CABINET

HELD AT 5.35 P.M. ON WEDNESDAY, 8 FEBRUARY 2006

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

Members Present:

Councillor Michael Keith (Chair) (Leader of the Council)
Councillor Abdus Shukur (Vice-Chair) (Deputy Leader of the Council)
Councillor Denise Jones (Lead Member, Culture)
Councillor Richard Brooks (Lead Member, Resources)
Councillor David Edgar (Lead Member, Housing)
Councillor Ohid Ahmed (Lead Member, Education & Youth)
Councillor Abdul Asad (Lead Member, Social Services & Health)
Councillor Judith Gardiner (Lead Member, Environment)
Councillor Shafiqul Haque (Lead Member, Regeneration & Community Partnerships)
Councillor M Shahab Uddin (Lead Member, Equalities & Social Inclusion)

Other Councillors Present:

Councillor Alan Amos (Chair of the Overview and Scrutiny Committee)

Officers Present:

Kate Bingham – (Manager Education Finance)
Isobel Cattermole – (Service Head, Strategic & Operational Services, Education)
Kevan Collins – (Corporate Director, Children's Services)
Alex Cosgrave – (Corporate Director, Environment & Culture)
Alan Finch – (Service Head, Corporate Finance)
Isabella Freeman – (Assistant Chief Executive [Legal])
Christine Gilbert – (Chief Executive)
John Goldup – (Director Adult Services)
John Harrison – (Press Officer)
Chris Holme – (Service Head, Resources, Development & Renewal)
Helen Jenner – (Service Head, Access and Inclusion, Education)
Michael Keating – (Service Head, Research & Scrutiny)
Paul Leeson – (Finance Manager, Development & Renewal)
Maureen McEleney – (Director of Housing Management)
Sharon McGilchrist – (Third Sector Manager)
Terry Parkin – (Service Head Standards and School Development)
Graeme Peacock – (Service Head, Property & Facilities)
COUNCILLOR M. KEITH IN THE CHAIR

1. APOLOGIES FOR ABSENCE

No apologies for absence or lateness were received.

2. DECLARATIONS OF INTEREST

Councillor A. Asad declared a prejudicial interest in Agenda Item 10.6 “Children and Young People’s Plan”. The declaration of interest was made on the basis that the report effected Youth Action UK and Councillor Asad was employed by Youth Action UK.

Councillor D. Edgar declared a prejudicial interest in Agenda Item 10.9 “Mainstream Grants 2006/2007 Appeal Against Decisions of Grants Panel”. The declaration of interest was made on the basis that the report recommended determination of an appeal against the decisions of the Grants Panel, held on 19 December 2005, and Councillor Edgar had participated in making the decision of the Grants Panel and could not therefore take part in the determination of an appeal against that decision.

Councillor S. Haque declared a prejudicial interest in Agenda Item 10.9 “Mainstream Grants 2006/2007 Appeal Against Decisions of Grants Panel”. The declaration of interest was made on the basis that the report recommended determination of an appeal against the decisions of the Grants Panel, held on 19 December 2005, and Councillor Haque had participated in making the decision of the Grants Panel and could not therefore take part in the determination of an appeal against that decision.
Councillor D. Jones declared a prejudicial interest in Agenda Item 10.9 “Mainstream Grants 2006/2007 Appeal Against Decisions of Grants Panel”. The declaration of interest was made on the basis that the report recommended determination of an appeal against the decisions of the Grants Panel, held on 19 December 2005, and Councillor Jones had been present at the meeting of the Grants Panel held on 15 December 2005 when consideration of this application for mainstream grant funding had been deferred until the meeting of the Grants Panel held on 19 December and considered that she should not therefore take part in the determination of an appeal against that decision.

Councillor A. Shukur declared a prejudicial interest in Agenda Item 10.9 “Mainstream Grants 2006/2007 Appeal Against Decisions of Grants Panel”. The declaration of interest was made on the basis that the report recommended determination of an appeal against the decisions of the Grants Panel, held on 19 December 2005, and Councillor Shukur had participated in making the decision of the Grants Panel and could not therefore take part in the determination of an appeal against that decision.

Councillor M. S. Uddin declared a prejudicial interest in Agenda Item 10.9 “Mainstream Grants 2006/2007 Appeal Against Decisions of Grants Panel”. The declaration of interest was made on the basis that the report recommended determination of an appeal against the decisions of the Grants Panel, held on 19 December 2005, and Councillor Uddin had participated in making the decision of the Grants Panel and could not therefore take part in the determination of an appeal against that decision.

Councillor D. Jones declared a prejudicial interest in Agenda Item 14.2(1) “Report Called In - Rich Mix Cultural Centre”. The declaration of interest was made on the basis that:

- The report contained recommendations relating to the Rich Mix Cultural Centre and Councillor Jones was a member of the governing body of the Rich Mix Cultural Foundation the accountable body for the Rich Mix Centre project.
- The report also contained recommendations relating to the Arts Council England and Councillor Jones was a representative of the Authority on the Arts Council England London Regional Board.

Councillor R. Brooks declared a personal interest in Agenda Items 9.1 to 9.4:-

9.1 The Vision for Building Schools for the Future - Vision
9.3 Education Fees and Charges 2006/2007
9.4 Review of the Discretionary Awards Policy for the 2006/2007 Academic Year

The declarations of interest were made on the basis that the report effected Bethnal Green Technology College and Councillor Brooks was a representative of the Authority on the governing body of Bethnal Green Technology College.
Councillor D. Jones declared a personal interest in Agenda Items 9.1 to 9.4:
9.1 The Vision for Building Schools for the Future - Vision
9.3 Education Fees and Charges 2006/2007
9.4 Review of the Discretionary Awards Policy for the 2006/2007 Academic Year

The declarations of interest were made on the basis that the report effected Mulberry School and Councillor Jones was a representative of the Authority on the governing body of Mulberry School.

Councillor J. Gardiner declared a personal interest in Agenda Items 9.1 to 9.4:
9.1 The Vision for Building Schools for the Future - Vision
9.3 Education Fees and Charges 2006/2007
9.4 Review of the Discretionary Awards Policy for the 2006/2007 Academic Year

The declarations of interest were made on the basis that the report effected Swanlea School and Councillor Gardiner was a representative of the Authority on the governing body of Swanlea School.

Councillor A. Asad declared a personal interest in Agenda Item 10.8 “Young People’s Access to Sexual Health Services in Tower Hamlets - responses to recommendations of the Health Scrutiny Panel”. The declaration of interest was made on the basis that the report contained recommendations relating to the Tower Hamlets Primary Care Trust and Councillor Asad was a representative of the Authority on the governing body of the Tower Hamlets Primary Care Trust.

Councillor D. Jones declared a personal interest in Agenda Item 10.8 “Young People’s Access to Sexual Health Services in Tower Hamlets - responses to recommendations of the Health Scrutiny Panel”. The declaration of interest was made on the basis that the report contained recommendations relating to the Tower Hamlets Primary Care Trust and Councillor Jones was a representative of the Authority on the governing body of the Tower Hamlets Primary Care Trust.

Councillor S. Haque declared a personal interest in Agenda Item 14.2(1) “Report Called In - Rich Mix Cultural Centre“. The declaration of interest was made on the basis that the report contained recommendations relating to the Rich Mix Cultural Centre and Councillor Haque was a representative of the Authority on the governing body of the Rich Mix Cultural Foundation, the accountable body for the Rich Mix Centre project.

Councillor M. Keith declared a personal interest in Agenda Item 14.2(1) “Report Called In - Rich Mix Cultural Centre“. The declaration of interest was made on the basis that the report contained recommendations relating to the Rich Mix Cultural Centre and Councillor Keith was a representative of the Authority on the governing body of the Rich Mix Cultural Foundation, the accountable body for the Rich Mix Centre project.
Councillor A. Asad declared a personal interest in Agenda Item 16.2” Lease of Former Library at Bow Community Hall, William Place, Bow”. The declaration of interest was made on the basis that the report contained recommendations relating to the Tower Hamlets Primary Care Trust and Councillor Asad was a representative of the Authority on the governing body of the Tower Hamlets Primary Care Trust.

Councillor D. Jones declared a personal interest in Agenda Item 16.2” Lease of Former Library at Bow Community Hall, William Place, Bow”. The declaration of interest was made on the basis that the report contained recommendations relating to the Tower Hamlets Primary Care Trust and Councillor Jones was a representative of the Authority on the governing body of the Tower Hamlets Primary Care Trust.

Councillor J. Gardiner declared a personal interest in Agenda Item 16.2” Lease of Former Library at Bow Community Hall, William Place, Bow”. The declaration of interest was made on the basis that the report contained recommendations relating to the General Practitioner Surgery of Dr Boomla and Partners and Councillor Gardiner was a patient at this GP surgery.

Councillor D. Jones declared a personal interest in Agenda Item 19.1” Disposal of Half Moon Theatre, Whitehorse Road, E1”. The declaration of interest was made on the basis that the report contained recommendations relating to Half Moon Young People’s Theatre Limited and Councillor Jones had previously been a director on the Board of Half Moon Young People’s Theatre Limited.

Noted

3. UNRESTRICTED MINUTES

The Chair Moved and it was: -

Resolved

That the unrestricted minutes of the ordinary meeting of the Cabinet held on 11th January 2006 be approved and signed by the Chair, as a correct record of the proceedings.

4. DEPUTATIONS & PETITIONS

At this juncture the Chair Informed members of the Cabinet that: -

- The Assistant Chief Executive had received one valid request from local residents, on behalf of Tower Hamlets Against the Transfer of Council Housing (THATCH), to address them in respect of the arrangements relating to Housing Choice.

- The Clerk to the Cabinet had also received a telephone call from the Tower Hamlets Somali Organisations Network (THSON), that day, requesting an opportunity to address the Cabinet in relation to the
future of Mayfield House Daycentre for Somali Elders. The latter was the subject of proposals within Agenda item 10.1 “General Fund Budget 2006/2007 Budget Requirement & Council Tax”.

- The representation had been received after the deadline for written notice of deputations and petitions, in respect of the Cabinet meeting, required under the Authority’s Constitution.

- Given the significant nature of the proposals, contained in the report, he considered that it would be appropriate, in this instance, to suspend the relevant requirements of the Authority’s Constitution, in order to allow an opportunity for the representations to be considered.

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

**Resolved**

1. That the requirements of the Authority’s Constitution, Part 4 - Rules of Procedure, Section 4.1 – Council Rules of Procedure, Paragraph 19 – Petitions and 20 Deputations, be suspended under the provisions of Part 4 - Rules of Procedure, Section 4.1 – Council Rules of Procedure, Paragraph 26.1 Suspension in order to allow the deputation from the THSON to be received.

2. The deputations be taken in the order in which notice had been received.

The Chair informed members of the Cabinet that: -

- A statement had been **Tabled** by Ms P. Cottage, Tower Hamlets Against the Transfer of Council Housing (THATCH).
- A letter had been **Tabled** by Mr I. Warsama, Tower Hamlets Somali Organisations Network.

and copies of these would be interleaved with the minutes.

Councillor Edgar, Lead Member Housing, responded to the matters raised by the deputation on behalf of Tower Hamlets Against the Transfer of Council Housing in relation to arrangements for Housing Choice.

Councillor Brooks, Lead Member Resources, briefly responded to the matters raised by the deputation from Tower Hamlets Somali Organisations Network in relation to the future of Mayfield House Daycentre for Somali elders.

The Chair indicated that following consideration of the next item of business, Agenda item 5.1 “Overview and Scrutiny - Chair’s advice of key issues or questions in relation to unrestricted business to be considered” he would propose that the order of business be varied in order that Agenda item 10.1 “General Fund Budget 2006/2007 Budget Requirement & Council Tax” be considered as the next item of business, as it related to both the deputation and to the matters to be raised by the Chair of the Overview and Scrutiny Committee.
The Chair **Moved** and it was: -

**Resolved**

1. That the following deputations be formally received and noted: -
   
   - Ms P. Cottage and Ms C. Swords, on behalf of Tower Hamlets Against the Transfer of Council Housing (THATCH), in respect of arrangements relating to Housing Choice.
   - Mr I. Warsama, on behalf of Tower Hamlets Somali Organisations Network, in respect of the future of Mayfield House Daycentre for Somali elders.

2. That the issues raised by the deputations be referred to the appropriate Corporate Director for attention within 28 days in accordance with of Part 4, Section 4.1, Paragraph 20 of the Authority’s Constitution.

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**5. OVERVIEW & SCRUTINITY COMMITTEE**

**5.1 Chair's advice of Key Issues or Questions in relation to Unrestricted Business to be considered**

The Chair informed members of the Cabinet that Councillor Amos, Chair of the Overview and Scrutiny Committee, had **Tabled** a sheet of questions and comments arising from the deliberations of the Overview and Scrutiny Committee, held on 7th February 2006, in respect of the unrestricted business contained in the agenda for consideration, a copy of which would be interleaved with the minutes.

Councillor Amos informed members of the Cabinet that he had nothing to add to the questions / comments raised by the Overview and Scrutiny Committee, as set out in the tabled paper regarding Agenda item 10.1 ”General Fund Revenue Budget 2006/2007 Budget Requirement and Council Tax” (CAB 154/056).

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

**Resolved**

1. That the questions and comments of the Overview and Scrutiny Committee be noted, and that these be given consideration during the Cabinet deliberation of the item of business to which the questions and comments related.

2. That the order of business be varied in order that Agenda item 10.1 “General Fund Budget 2006/2007 Budget Requirement & Council Tax” be considered as the next item of business.
5.2 Any Unrestricted Decisions "Called in" by the Overview & Scrutiny Committee

Nil items.

6. A BETTER PLACE FOR LIVING SAFELY

Nil items.

7. A BETTER PLACE FOR LIVING WELL

Nil items.

8. A BETTER PLACE FOR CREATING AND SHARING PROSPERITY

Nil items.

9. A BETTER PLACE FOR LEARNING, ACHIEVEMENT AND LEISURE

9.1 The Vision for Building Schools for the Future - Vision (CAB 150/056)

The Chair Moved and it was: -

Resolved

1. That the Education Vision for Building Schools for the Future, attached at Appendix 1 to the report (CAB 150/056), be approved; and

2. That the Corporate Director Children’s Services be authorised to make any further amendments to the Building Schools for the Future (BSF) Vision consistent with its spirit in order to complete the approval process from the Department for Education and Skills (DfES) and Partnerships for Schools (PfS).


The Chair Moved and it was: -

Resolved

1. That the proposals set out in the report (CAB 151/056), for the allocation of the Dedicated School Grant for 2006-2007 and 2007-2008, be approved;

2. That the provisional Dedicated School Grant allocation to Tower Hamlets for 2006-2007 and 2007-2008, as set out in paragraph 4.3 of the report, be noted;
3. That the projected cost of meeting the Minimum Funding Guarantee, as set out in paragraph 5.2 of the report, be noted;

4. That the current proxy indicator of free school meal eligibility for 2006-2007 and 2007-2008 be maintained to minimise any prospective turbulence in respect of the resource allocation for social deprivation, as set out in paragraph 6.6.7 of the report;

5. That schools be funded for the Teachers Pay Reform Grant, which from 2006-2007 is no longer a specific grant, by a combination of increasing the age weighted pupil unit for all schools and by schools making a claim for those teachers reaching Upper Pay Spine 1 and 2, as set out in paragraphs 6.7.3 and 6.7.4 of the report;

6. That schools be provided with multi-year budgets for 2006-2007 and 2007-2008 based on the data and projection updates, as set out in paragraph 6.8.3 of the report;

7. That the earmarked elements of the Dedicated Schools Grant be distributed to schools using the methodology proposed by central government as endorsed by the Schools Forum, as set out in paragraphs 6.9.6 – 6.9.9 of the report;

8. That the central expenditure allocations for inflation, early years provision, admissions and the Pupil Referral Unit, as set out in paragraph 7.9 of the report, be noted;

9. That the central expenditure allocations, as agreed by the School Forum, for the schools specific contingency, combined services and early retirement, as set out in paragraph 7.19 of the report; be noted including:
   (a) The mandatory requirement to use a single day of count to determine the number of pupils for each school’s formula allocation. This is to be the Pupil Level Annual School Census (PLASC) date, as determined by central government, as set out in paragraph 7.12 of the report;
   (b) That there should be no in-year adjustments to a school’s budget share other than those for pupils with statements of special educational needs, exceptional cost pressures experienced as a result of substantial unplanned increases in pupil numbers and excluded pupils, as set out in paragraph 7.14 of the report;

10. That the allocation of headroom, as agreed by the School Forum, as set out in paragraph 8.2 of the report, be noted; and

11. That the impact of the above decisions on the Central Expenditure Limit, as set out in paragraph 9.6 of the report, be noted.
9.3 **Education Fees and Charges 2006/2007 (CAB 152/056)**

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

**Resolved**

1. That the charges for 2006/2007 set out below be agreed:
   a) School Meals as detailed in Paragraph 3.2 of the report
   b) Maximum charge for Day Care as detailed in Paragraphs 4.2 - 4.5 of the report
   c) After School Clubs & Holiday Play Schemes as detailed in Paragraph 5.10 of the report

2. That it be noted that a further report would be submitted for the consideration of the Cabinet in respect of fees for the Lifelong Learning Services proposed to commence in September 2006.


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

**Resolved**

1. That discretionary powers be adopted to make discretionary awards only in respect of certain groups of students, as set out in paragraphs 6.1. to 6.4 of the report (CAB 153/056);

2. That discretionary awards continue to be funded;

3. That options (b) and (c), as set out in paragraphs 7.1 - 7.13 of the report (CAB 153/056), in relation to the determination of applications for major discretionary awards outlined below, be approved:
   - Divide the funds by the number of eligible students
   - Allow the funding of part-time law finals courses where the student cannot take a full time course for reasons of disability.

4. That the continuation of awards to Adult Education students and New Start students as set out in paragraph 7.15 and 7.16. of the report (CAB 153/056), be approved; and

5. That the revision of the Authority’s Discretionary Awards Policy to state that the amount of an award agreed on appeal shall be discretionary and will have due regard to budgetary constraints, as set out in paragraph 7.18 of the report, (CAB 153/056), be approved.
10. **A BETTER PLACE FOR EXCELLENT PUBLIC SERVICES**


Please note that the order of business was varied by resolution of the Cabinet earlier in the proceedings in order to allow this item to be considered following agenda item 5.1 “Overview and Scrutiny - Chair's advice of Key Issues or Questions in relation to unrestricted business to be considered”, however for ease of reference the deliberations of the Cabinet, and subsequent decisions taken, are set out below in the order detailed in the agenda.

The Chair informed members of the Cabinet that: -

- An addendum (CAB 169/056) to the report “General Fund Budget 2006/2007 Budget Requirement & Council Tax” (CAB 154/056), which contained revised recommendations to take account of: -
  - The final Formula Grant Settlement
  - Level of Waste Performance and Efficiency Grant allocated to the Authority
  - The Mayor of London’s final budget proposed to the London Assembly together with an additional Appendix L to the original report (CAB 154/056), had been **Tabled** and a copy of these would be interleaved with the minutes.

- Councillor Brooks (Lead Member: Resources) had **Tabled a Motion**, relating to the Authority's General Fund Budget for 2006/2007, which contained all recommendations in respect of both the General Fund Budget 2006/2007 Budget Requirement & Council Tax report (CAB 154/056) and Addendum thereto (CAB 169/056), together with Appendix G indicated in the original report (CAB 154/056) as “to follow” and a copy of these would be interleaved with the minutes.

Ms Cosgrave, Corporate Director Environment and Culture, at the request of the Chair, addressed the matters raised by the Overview and Scrutiny Committee, held on 7th February 2006, in relation to the report (CAB 154/056); as set out in the sheet of questions and comments tabled by the Chair of the Overview and Scrutiny Committee earlier in the proceedings.

Mr Smith, Director of Resources, in introducing the Addendum report (CAB 169/056) summarised the salient points contained therein and outlined for members of the Cabinet what they were being requested to consider, and recommended to agree, in relation to the General Fund Budget 2006/2007 Budget Requirement & Council Tax report (CAB 154/056) and Addendum thereto.
The Chair **Moved** the recommendations as contained in the motion tabled by the Lead Member Resources; and it was: -

**Resolved**

**Final Formula Grant Settlement**
1. That the final Formula Grant settlement for 2006/07, as set out in the Addendum to the report (CAB 169/056), be noted.

**Budget Consultation**
2. That the outcome of the various consultations carried out in relation to this budget, as summarised in section 4 of the report (CAB 154/056) and especially the results of public consultation detailed at Appendix B to the report (CAB 154/056), be noted.

**Committed Growth**
3. That committed growth be funded as summarised below, at a total additional cost of £8,856,000 for 2006/2007 and the implications for the authority in 2007/2008 and 2008/2009 be noted.

<table>
<thead>
<tr>
<th>Service</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Services</td>
<td>£4,218,000</td>
</tr>
<tr>
<td>Environment &amp; Culture</td>
<td>£975,000</td>
</tr>
<tr>
<td>Corporate (covering all services)</td>
<td>£3,663,000</td>
</tr>
<tr>
<td></td>
<td><strong>£8,856,000</strong></td>
</tr>
</tbody>
</table>

4. That the additional £2.0 million identified as Committed Growth in relation to Social Services be included in a corporate contingency, to be allocated by the Cabinet during the financial year as necessary.

5. That for the following items of committed growth, officers be instructed to:
   a) Keep the level of demand and other factors leading to an additional funding requirement under continuous review
   b) Continue to explore options to mitigate the cost identified, and
   c) Report progress to Cabinet by September 2006
      - Growth in Children’s Commissioning (GRO/SS/01)
      - Home Care – increased demand (GRO/SS/05)
      - Learning Disabilities Commissioning (GRO/SS/06)
      - Cost pressures in residential nursing home care for Adults Mental Health (GRO/SS/07)
      - Parks Maintenance Contracts (GRO/EC/02).

**Waste Performance & Efficiency Grant**
6. That the increase in Waste Performance and Efficiency Grant for 2006/2007 of £0.395 million, as set out in the addendum to the report (CAB 169/056) be noted and it be agreed that this be applied to further improve waste management services.
Efficiency Savings
7a. That efficiency savings options totalling £3,938,000 be taken, as summarised at Appendix D to the report (CAB 154/056), excluding SS 09 and the implications for 2007/2008 and 2008/2009 be noted.
7b. That officers be requested to investigate the re-provision of higher quality services to the users of Mayfield House within existing budgets and report back to Cabinet by September 2006.

Inflation
8. That an updated figure for pay and price inflation of £6.152 million be agreed.

Housing Stock Reduction
9. That it be noted that as a result of reductions in the size of the Housing Revenue Account, the value of General Fund services funded from the Housing Revenue Account will reduce by £3.696 million in 2006/2007.
10. That mitigating savings to the value of £1.902 million be accepted to offset the budgetary impact on the General Fund, and it be noted that these comprise a mixture of efficiency savings, workload reductions and income generation.
11. That the balance of £1.794 million be funded from the existing recurrent General Fund provision of £5 million established to provide for the corporate implications of Housing Choice.
12. That officers be instructed to continue to explore options for cost reduction in those corporate and support services where the impact is most significant, and to report back to Cabinet by September 2006.

Budget Risk: Balances/Reserves & Contingencies
13. That the review of reserves, strategic budget risks, and assessment of the robustness of the estimates be noted.
14. That risk mitigation measures be funded as follows:
   b) Asset and Programme/Project Management: £150,000 to be included in the General Fund Budget for Corporate Costs.
15. That a contribution to general reserves of £1.5 million be made as part of the General Fund budget for 2006/2007.

Budget Requirement & Council Tax
16. Taking account of the decisions above, Council be recommended to agree:
   a) A total budget requirement for the Council in 2006/2007 of £267,894,000 (not including Dedicated Schools Grant) and,
17. That it be noted that the Greater London Authority precept, which is due to be set on 15th February 2006, will be added to the authority’s Council Tax to arrive at the total Council Tax for residents of the borough.

### Medium Term Financial Projection

18. That the medium term financial projection, as set out in Appendix G to the report (CAB 154/056), and detailed below be approved.

#### MEDIUM TERM FINANCIAL PROJECTION

**Projected General Fund Revenue Account**

<table>
<thead>
<tr>
<th></th>
<th>2006/07 £'000</th>
<th>2007/08 £'000</th>
<th>2008/09 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial Budget</td>
<td>438,848</td>
<td>267,894</td>
<td>279,186</td>
</tr>
<tr>
<td>Transfer of Schools funding to Dedicated Schools Grant</td>
<td>-183,315</td>
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<td></td>
</tr>
<tr>
<td>Inflation</td>
<td>6,152</td>
<td>6,300</td>
<td>6,700</td>
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<tr>
<td>Committed Growth</td>
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<tr>
<td>Identified</td>
<td>10,856</td>
<td>3,014</td>
<td>2,327</td>
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<tr>
<td>Projected</td>
<td>6,500</td>
<td>7,500</td>
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<tr>
<td>Base Budget Adjustment</td>
<td>-1,550</td>
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<td>Efficiency savings</td>
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<td>Identified</td>
<td>-3,938</td>
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<td>-1,097</td>
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<tr>
<td>Stretch Gershon target</td>
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<td>-4,314</td>
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</tr>
<tr>
<td>Risk Mitigation Measures</td>
<td>150</td>
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<td>0</td>
</tr>
<tr>
<td>Sub</td>
<td>11,670</td>
<td>11,163</td>
<td>11,116</td>
</tr>
<tr>
<td>Changes in Contributions to Reserves</td>
<td>-500</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Transfers of Funding</td>
<td>1,230</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Formula Grant - final settlement contingency</td>
<td>90</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Formula Grant - prior year's adjustment</td>
<td>-129</td>
<td>129</td>
<td>0</td>
</tr>
<tr>
<td><strong>Budget Requirement</strong></td>
<td>267,894</td>
<td>279,186</td>
<td>290,302</td>
</tr>
<tr>
<td>Formula Grant</td>
<td>-205,777</td>
<td>-213,822</td>
<td>-222,161</td>
</tr>
<tr>
<td>Collection Fund Surplus</td>
<td>-1,905</td>
<td>-1,598</td>
<td>-1,151</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>60,212</td>
<td>63,766</td>
<td>66,990</td>
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**Indicative Band D Council Tax**

<table>
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<tr>
<th></th>
<th>£'000</th>
<th>£'000</th>
<th>£'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in Council Tax</td>
<td>0.0%</td>
<td>2.5%</td>
<td>2.5%</td>
</tr>
</tbody>
</table>
Sensitivity Analysis 2006/07

Effect of:

- 1% reduction in Formula Grant: £2,138, £28.31
- 0.5% increase in pay and price inflation: £1,148, £15.20
- 5% increase in committed growth: £543, £7.19

Projected Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>As at 31st March</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2006</td>
</tr>
<tr>
<td>Fixed and other long term assets (1)</td>
<td>2,513.6</td>
</tr>
<tr>
<td>Borrowing &amp; other long term liabilities</td>
<td>-961.1</td>
</tr>
<tr>
<td>Working Capital</td>
<td>53.7</td>
</tr>
<tr>
<td>Total Assets less Liabilities</td>
<td>1,606.2</td>
</tr>
<tr>
<td>Non-cashable Reserves (2)</td>
<td>1,495.7</td>
</tr>
<tr>
<td>Collection Fund</td>
<td>3.1</td>
</tr>
<tr>
<td>Other Earmarked Reserves</td>
<td>93.6</td>
</tr>
<tr>
<td>General Balances</td>
<td>13.8</td>
</tr>
<tr>
<td>Total Equity</td>
<td>1,606.2</td>
</tr>
</tbody>
</table>

All figures at current prices. Does not reflect future inflation or revaluation of assets/ liabilities

(1) Reflects projected expenditure on capital investment less value of anticipated disposals
(2) Principally comprising reserves representing the value of capital assets that have been paid for in the past

Target Adjustments and Technical Resolutions

19. That the target adjustments relating to asset rentals and the adjustments for support service charges be noted.
At this point in the meeting the Chair advised that the proceedings would be conducted as detailed in the order of business.


The Chair Moved and it was: -

**Resolved**

That the Housing Revenue Account Budget for 2006/2007, as set out in Appendix 1 to the report (CAB 155/056), be approved.

### 10.3 2006/2007 Single Capital Pot Allocations (CAB 156/056)

The Chair Moved and it was: -

**Resolved**

1. That the Supported Capital Expenditure (Revenue) of £24.973 million allocated to this Authority be noted;

2. That resources be allocated to Services equivalent to their respective Supported Capital Expenditure (Revenue) allocations as follows: -

<table>
<thead>
<tr>
<th></th>
<th>£m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing</td>
<td>15.593</td>
</tr>
<tr>
<td>Education</td>
<td>9.201</td>
</tr>
<tr>
<td>Social Services</td>
<td>0.179</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£24.973</strong></td>
</tr>
</tbody>
</table>

### 10.4 2006/2007 Prudential Indicators (CAB 157/056)

The Chair Moved and it was: -

**Resolved**

1. That the following Authorised Limits for External Debt be endorsed and that Council be recommended to adopt them:-

   - 2006/2007 £597.000M
   - 2007/2008 £591.000M
   - 2008/2009 £597.000M
2. That the following Operational Boundaries for External Debt be endorsed and that Council be recommended to adopt them:

- 2006/2007 £577.000M
- 2007/2008 £571.000M
- 2008/2009 £577.000M

3. That the following financial indicators be noted, as required under the Prudential Borrowing Code, and that Council be recommended to note them:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio of Financing Costs to Net Revenue Stream</td>
<td>2.94%</td>
<td>3.24%</td>
<td>3.24%</td>
<td>2.67%</td>
<td>2.36%</td>
</tr>
<tr>
<td>Impact of Capital Investment Decisions on Annual Band D Council Tax</td>
<td></td>
<td>£2.32</td>
<td>£2.57</td>
<td>£2.18</td>
<td>£3.02</td>
</tr>
<tr>
<td>Capital Expenditure (£million)</td>
<td>£95.602</td>
<td>£104.720</td>
<td>£81.794</td>
<td>£83.526</td>
<td>£50.701</td>
</tr>
<tr>
<td>Capital Financing Requirement (£million)</td>
<td>£567.702</td>
<td>£553.092</td>
<td>£568.185</td>
<td>£584.900</td>
<td>£603.245</td>
</tr>
</tbody>
</table>

4. That the Director of Resources be authorised to revise the indicators as set out in resolutions 2. and 3. above to reflect any developments between the Cabinet meeting held on 8th February 2006 and the Council meeting to be held on 1st March 2006.


The Chair Moved and it was:

**Resolved**

1. That the Treasury Management Strategy Statement, as set out in sections 4-9 of the report (CAB158/056), be endorsed;
2. That the Annual Investment Strategy, as set out in section 10 of the report (CAB 158/056), be endorsed; and

3. That Council be recommended to adopt the Treasury Management Strategy Statement and Annual Investment Strategy, as set out in Sections 4-9 and Section 10 of the report (CAB 158/056) respectively.

10.6 Children and Young People’s Plan (CAB 159/056)

Councillor A. Asad having declared a prejudicial interest in Agenda Item 10.6 “Children and Young People’s Plan” withdrew from the proceedings at the commencement of consideration of this item of business, being 6.05pm.

Mr K. Collins, Corporate Director Children’s Services, in response to a question from the Chair, advised members of the Cabinet that: -

- The localisation debate had contributed to the development of the Children and Young People’s Plan and would be reflected in the body of the Plan.

- Local Area Partnership priorities for children and young people would be incorporated within the costed first year work plan associated with the Children and Young People’s Plan.

The Chair Moved and it was: -

Resolved

1. That the contents of the report (CAB159/056), be noted;

2. That the Children and Young People’s Plan, attached at Appendix 1 to the report (CAB 159/056) be endorsed and that Council be recommended to approve the Plan;

3. That the summary findings of consultation in respect of the Children and Young People’s Plan, attached at Appendix 2 to the report (CAB 159/056), be noted;

4. That the Corporate Director Children’s Services be authorised to make any appropriate and necessary amendments to the Children and Young People’s Plan, subsequent to its approval by Council, which are consistent with its present spirit; and

5. That the time-scale for the completion of the Children and Young People’s Plan, as set out at paragraph 3.7 of the report (CAB 159/056), be noted.

Councillor A. Asad re-entered the proceedings following consideration of this item of business being 6.06pm.
10.7 Establishing a Local Safeguarding Children Board in Tower Hamlets (CAB 160/056)

The Chair Moved and it was: -

Resolved

1. That the contents of the report (CAB 160/056) be noted;

2. That a Local Safeguarding Children Board be established in Tower Hamlets with effect from April 2006;

3. That the proposed chairing arrangements, governance structure, membership and the proposed scrutiny arrangements in respect of the Local Safeguarding Children Board, as detailed in paragraph 3.3.2, 3.4, 3.5, 3.6.3 of the report (CAB 160/056), be respectively approved;

4. That the specific issues relating to arrangements for the Local Safeguarding Children Board, raised during consultation, be referred for the consideration of the Board;

5. That the draft terms of reference of the Local Safeguarding Children Board, as set out in Appendix 1 to the report (CAB 160/056), be noted; and

6. That the Local Safeguarding Children Board be requested to consider and agree the terms of reference, as set out in Appendix 1 to the report (CAB 160/056).

10.8 Young People’s Access to Sexual Health Services in Tower Hamlets - responses to recommendations of the Health Scrutiny Panel (CAB 161/056)

The Chair Moved and it was: -

Resolved

1. That the responses and action plan to the Health Scrutiny Panel’s review of young people’s access to sexual health services, attached at Appendix 1 to the report (CAB 161/056), be endorsed; and

2. That the Health Scrutiny Panel be requested to provide an update on progress to a future meeting of Cabinet.

Councillors D. Edgar, D. Jones, S. Haque, A. Shukur and M.S. Uddin having declared a prejudicial interest in Agenda Item 10.9 “Mainstream Grants 2006/2007 Appeal Against the Decision of the Grants Panel” withdrew from the proceedings at the commencement of consideration of this item of business, being 6.07pm.

The Chair Moved and it was: -

Resolved

That the appeal by Tower Hamlets Cooperative Development Agency against the Grant Panel’s decision not to award it funding for support for social enterprise be rejected on the grounds sets out in section 5 of the report (CAB 162/056).

Councillors D. Edgar, D. Jones, S. Haque, and M.S. Uddin re-entered the proceedings following consideration of this item of business being 6.08pm.

10.10 Draft Schedule of dates for Principal Meetings in the Municipal Year 2006/2007 (CAB 163/056)

The Chair Moved and it was: -

Resolved

1. That the proposed dates for principal meetings of the Authority for the Municipal Year 2006/2007, as detailed in Appendix 1 to the report (CAB 163/056) be endorsed; and

2. That Council be recommended to approve the dates for principal meetings of the Authority for the Municipal Year 2006/2007, as detailed in Appendix 1 to the report (CAB 163/056).

11. UNRESTRICTED REPORTS FOR INFORMATION

Nil items.

12. EXCLUSION OF THE PRESS AND PUBLIC

The Chair Moved and it was: -

Resolved

That in accordance with the provisions of Section 100A of the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985, the press and public be excluded from the remainder of the meeting for the consideration of the Section Two business on the grounds that it contained information defined as exempt or confidential in Part 1 of Schedule 12A to the Local Government, Act 1972.
Councillor A. Shukur re-entered the proceedings following consideration of this item of business being 6.10pm.

**SUMMARY OF EXEMPT PROCEEDINGS**

13. **EXEMPT / CONFIDENTIAL MINUTES**

Cabinet 11th January 2006 approved.

14. **OVERVIEW & SCRUTINY COMMITTEE**

14.1 Chair's advice of Key Issues or Questions in relation to Exempt / Confidential Business to be considered.

Questions and comments of the Overview and Scrutiny Committee Tabled and noted.

Motion from Chair approved.

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

Reference from Overview and Scrutiny Committee of 7th February 2006 Tabled.

Motion from Chair approved.

15. **A BETTER PLACE FOR LIVING SAFELY**

15.1 Measured Term Contracts for Transportation and Highways Works 01 April 2006 to 31 March 2008 (CAB 164/056)

Addendum report containing revised recommendations Tabled.

Recommendations (Revised by Addendum report) agreed.

16. **A BETTER PLACE FOR LIVING WELL**

16.1 Renewal of Contract with Redbridge Community Housing Limited (RCHL) for Day Care at William Brinson (CAB 165/056)

Recommendations agreed.
16.2 Lease of Former Library at Bow Community Hall, William Place, Bow (CAB 166/056)

Recommendations agreed.

17. A BETTER PLACE FOR CREATING AND SHARING PROSPERITY

Nil items.

18. A BETTER PLACE FOR LEARNING, ACHIEVEMENT AND LEISURE

Nil items.

19. A BETTER PLACE FOR EXCELLENT PUBLIC SERVICES

19.1 Disposal of Half Moon Theatre, Whitehorse Road, E1(CAB 167/056)

Revised recommendations agreed.

19.2 Disposal of Land at Furze Green (CAB 168/056)

Addendum report Tabled.

Recommendations agreed.

20. EXEMPT / CONFIDENTIAL REPORTS FOR INFORMATION

Nil items.

The meeting ended at 6.30 p.m.

Chair, Councillor Michael Keith
Cabinet