

**LONDON BOROUGH OF TOWER HAMLETS****RECORD OF THE DECISIONS OF THE CABINET****HELD AT 5.34 P.M. ON WEDNESDAY, 30 JANUARY 2019****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)
Councillor Rachel Blake	(Deputy Mayor and Cabinet Member for Regeneration and Air Quality)
Councillor Asma Begum	(Deputy Mayor and Cabinet Member for Community Safety and Equalities)
Councillor Amina Ali	(Cabinet Member for Culture, Arts and Brexit)
Councillor David Edgar	(Cabinet Member for Environment)
Councillor Danny Hassell	(Cabinet Member for Children, Schools and Young People)
Councillor Denise Jones	(Cabinet Member for Adults, Health and Wellbeing)
Councillor Candida Ronald	(Cabinet Member for Resources and the Voluntary Sector)
Councillor Motin Uz-Zaman	(Cabinet Member for Work and Economic Growth)

**Other Councillors Present:**

Councillor Peter Golds  
 Councillor Abdal Ullah

**Officers Present:**

Andrew Bate	(Senior Executive, Communications)
Richard Baldwin	(Divisional Director, Children's Social Care)
Stephen Bramah	(Deputy Head of the Mayor's office)
David Courcoux	(Head of the Mayor's Office)
Sharon Godman	(Divisional Director, Strategy, Policy and Performance)
Afazul Hoque	(Head of Corporate Strategy & Policy)
Asmat Hussain	(Corporate Director, Governance and Monitoring Officer)
Debbie Jones	(Corporate Director, Children and Culture)
Alan McCarthy	(Asset Strategy Capital Delivery & Property Services)
Tom McCourt	(Strategic Director)
Neville Murton	(Acting Corporate Director, Resources)
Denise Radley	(Corporate Director, Health, Adults & Community)
Ann Sutcliffe	(Acting Corporate Director, Place)
Warwick Tomsett	Joint Director, Integrated Commissioning
Will Tuckley	(Chief Executive)
Matthew Mannion	(Committee Services Manager, Democratic Services, Governance)

**1. APOLOGIES FOR ABSENCE**

There were no apologies for absence.

**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 Wednesday 9 January 2019 be approved and signed by the Chair as a correct record of proceedings.

**4. ANNOUNCEMENTS (IF ANY) FROM THE MAYOR**

See the minutes.

**5. OVERVIEW & SCRUTINY COMMITTEE****5.1 Chair's Advice of Key Issues or Questions**

The Chair of the Overview and Scrutiny Committee (OSC) presented the Committee's response to the Mayor's draft budget proposals.

Pre-Decision Scrutiny Questions, and officer responses, were also submitted in relation to Agenda Items 6.2 (Fees and Charges 2019/20), 6.3 (Adopt London East – Regional Adoption Agency – Business Case) and 6.4 (An Integrated Information and Advice Plan for Tower Hamlets).

All the above were considered during discussion of the relevant agenda items.

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

Nil items.

**6. UNRESTRICTED REPORTS FOR CONSIDERATION****6.1 The Council's 2019-20 Budget Report and Medium Term Financial Strategy 2019-22**

The report of the Overview and Scrutiny Committee was noted.

**DECISION**

1. To agree a General Fund Revenue Budget of £342.560m subject to any changes arising from the Final Local Government Finance Settlement to be referred to Full Council for consideration.
2. To agree the Council Tax (Band D) at £1,019.67 for 2019-20 to be referred to Full Council for consideration.
3. To authorise the Corporate Director, Resources after consultation with the Mayor and Lead Member of Resources to make any changes required to the budget following the final settlement announcement in February.
4. To approve the revised Capital Programme for the period to 2028-29; as detailed in Appendix 9A-D to the report and adopt the associated capital estimates
5. To approve the draft 2019-20 Housing Revenue Budget as set out in Appendix 8A to the report.
6. To approve the draft 2019-20 Management Fee payable to Tower Hamlets Homes (THH) of £31.105m as set out in Table 6 of the report.
7. To note that under the Management Agreement between the Council and THH, THH manages delegated income and expenditure budgets on behalf of the Council. In 2019-20, THH will manage delegated income budgets totaling £86.875m and delegated expenditure budgets of £27.719m.
8. To note the following matters:

**General Fund revenue Budget for 2019-20 and Medium Term Financial Strategy 2019-20 to 2021-22**

The initial budget proposal and Council Tax for 2019-20 together with the Medium Term Financial Strategy set out in Appendix 1A. Note the decision made by the Mayor in Cabinet to participate in the London Wide 75% Business Rates Retention pilot scheme.

Note the decision of the Mayor in Cabinet in January 2018 to increase the Council Tax empty homes premium from 50% to 100%, which comes into effect from the 1<sup>st</sup> April 2019. This follows

the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 which allows Councils to increase the current maximum empty homes premium set at 50%, to 100% from 1<sup>st</sup> April 2019.

### **Budget Consultation**

The outcome of consultation with business ratepayers, residents and other stakeholders as set out in Section 3.13 and Appendix 10

### **Funding**

The funding available for 2019-20 and the indications and forecasts for future years as set out in Section 3.4.

### **Growth and Inflation**

The risks identified from the potential growth and inflation commitments arising in 2019-20 and future years as set out in Section 3.5 and Appendix 3.

### **Savings**

New proposed saving items to be delivered in 2019-22 as set out in Section 3.6 and Appendix 4 of the report.

### **Financial Risks: Reserves and Contingencies**

The strategic budget risks and opportunities as set out in Section 3.7 and the assessment of risk as detailed in Appendix 6.

### **Reserves and Balances**

The reserves policy and proposed approach to the strategic use of reserves as set out in Section 3.8 and the projected movement in Reserves as detailed Appendix 5 and 7.

### **Schools Funding**

The position for schools' funding including the Dedicated Schools Grant as set out in Section 3.9.

### **Housing Revenue Account**

The position of the Housing Revenue Account; proposals for Rent and Tenanted Service Charge Setting 2019-20 and Equalities impact assessment set out in Section 3.10 and Appendix 8

### **Capital Programme**

The Capital Programme to 2018-29; including proposed revisions to the current programme as set out in Section 3.11 and detailed in Appendix 9.

9. To note the Equalities Impact Assessment / specific equalities considerations as set out in Section 4 of the report.

### **Action by:**

**ACTING CORPORATE DIRECTOR, RESOURCES (N. MURTON)**

(Interim Divisional Director, Finance, Procurement and Audit (D. Lawrenson)

**Reasons for the decision**

The Council is under an obligation to set a balanced and sustainable budget and to set the Council Tax Levels for the financial year 2019-20 by 11th March 2019 at the latest. The setting of the budget is a decision reserved for Full Council. The Council's Budget and Policy Framework requires that a draft budget is issued for consultation with the Overview & Scrutiny Committee to allow for their comments to be considered before the final budget proposals are made to Full Council.

The announcements that have been made about Government funding for the Council in the Chancellor's Budget and the Provisional Local Government Finance Settlement require a robust and timely response to enable a balanced budget to be set.

The Council is in the final year of the 4 year 'guaranteed settlement' from the government. A Medium Term Financial Strategy (MTFS) covering the entirety of the resources available to the Council is considered to be the best way that resource prioritisation and allocation decisions can be considered and agreed in a way that provides a stable and considered approach to service delivery and takes into account relevant risks and uncertainty.

As the Council develops its detailed proposals it must continue to keep under review those key financial assumptions which underpin the Council's MTFS; in particular as the Council becomes ever more dependent on locally raised sources of income through the Council Tax and retained business rates these elements become fundamental elements of its approach and strategies.

The Mayor is required by the Local Government and Housing Act 1989 to determine a balanced Housing Revenue Account (HRA) budget prior to the start of the new financial year. The Council must also approve the Management Fee payable to Tower Hamlets Homes (THH) so that it can fulfil its obligations under the Management Agreement to manage the housing stock on behalf of the Council.

In accordance with Financial Regulations, capital schemes must be included within the Council's capital programme, and capital estimates adopted prior to any expenditure being incurred. This report seeks the adoption of the necessary capital estimates for various schemes in order that they can be progressed.

**Alternative options**

The Council is required to respond to the budget reductions in Government funding of local authorities and to set an affordable Council Tax and a balanced budget, while meeting its duties to provide local services. This limits the options available to Members. Nevertheless, the Council can determine its priorities in terms of the services it seeks to preserve and protect where possible, and to the extent permitted by its resources, those services it wishes to prioritise through investment, during a continued period of budget reductions.

The Council has a statutory duty to set a balanced HRA and provide THH with the resources to fulfil its obligations under the Management Agreement. Whilst there may be other ways of delivering a balanced HRA, the proposals contained in this report are considered the most effective, in realising all the Council's statutory duties having regard to the matters set out in the report.

## 6.2 Fees & Charges 2019/20

The Pre-Decision Scrutiny Questions and Officer responses were noted.

### DECISION

1. To approve the proposed increase to discretionary fees and charges by a minimum of CPI (2.4%) or RPI (3.3%) rounded up to the nearest 5p, 10p etc., with effect from 1st April 2019
2. To approve proposed increases above CPI 2.4% for the following areas;
  - Meals for Social Care Clients
  - Parental Engagement and Support
  - Parking
  - Environmental Commercial Services
  - Local Land Charges
  - Registration of Births, Deaths & Marriages
  - Idea Store and Idea Store Learning
3. To approve New Charges proposed in the following areas;
  - Sports & Physical Activity - Duke of Edinburgh's Award
  - Parking - permits relating to diesel surcharge
  - Environmental Commercial Services - food safety re-inspection
  - Strategic Planning – CADAP fee
  - Development Management – pre-application advice
  - Infrastructure Planning – development viability
  - Street naming and numbering
  - Idea Store (Local History Library & Archives) - image reproduction
4. To consider the detailed list of proposed changes within
  - Health, Adults & Community as set out in Section 3.2 of the report and Appendix 1 to the report.
  - Children's Services as set out in Section 3.3 of the report and Appendix 2 to the report.
  - Place as set out in Section 3.4 of the report and Appendix 3 to the report.
  - Governance as set out in Section 3.5 of the report and Appendix 4 to the report.
  - Resources as set out in Section 3.6 of the report and Appendix 5 to the report.

5. To note the revised Statutory fees and charges as set out in Appendix 6 to the report with effect from 1st April 2019.
6. To note the Equalities Impact Assessment/specific equalities considerations as set out in Section 4 of the report.

**Action by:****INTERIM CORPORATE DIRECTOR, RESOURCES (N. MURTON)**

(Interim Divisional Director Finance, Audit and Procurement (D. Lawrenson)

**Reasons for the decision**

Fees and charges are reviewed annually as part of the Council's budget setting process. This ensures that they are set at the appropriate level for the prevailing economic conditions and represents good practice in terms of the Council's aim to provide value for money.

**Alternative options**

Whilst the changes to existing, and the introduction of new fees and charges recommended in this report follow a review of the current charging regime, other alternatives can be adopted by Members if they so wish. The financial impact of any alternatives will need to be reflected in the Council's Medium Term Financial Strategy (MTFS).

**6.3 Adopt London East - Regional Adoption Agency – Business case**

The Pre-Decision Scrutiny Questions and Officer responses were noted.

The recommendations were amended and then agreed.

**DECISION**

1. To agree and sign off the Tower Hamlet's specific content in the Adopt London East Business case, specifically:
  - a. Agree to contribute the current adoption services budget for Tower Hamlets and a one-off transitional payment of £42,684 to cover additional costs, as laid out in the financial section to fund the RAA in year 1. Budgets will be reviewed and agreed annually from year 2 onwards in consultation with the RAA partnership board
  - b. Subject to consultation with the Mayor and Lead Member for Children, Schools and Young People, agree the TUPE transfer of staff in scope on or before 1st July 2019 and undertake a consultation with staff impacted by the transfer of the service. NB – The specifics of the transfer process will be undertaken in consultation with both staff and trade unions to ensure that the transfer does not negatively affect terms and conditions of employment
  - c. Agree the other overarching principles in the document. The partnership will use these principles to design the necessary functions of the RAA between now and the go-live date.

- d. Authorise the Corporate Director, Children and Culture to enter into all relevant agreements and other documentation in order to facilitate the Council's involvement in the RAA as referred to in this report.
2. To note that an Equalities Impact Assessment is being undertaken in respect of the impact across all of the local authorities involved as set out in the business case.

**Action by:****CORPORATE DIRECTOR, CHILDREN AND CULTURE (D. JONES)**

(Divisional Director, Children's Social Care (R. Baldwin))

**Reasons for the decision**

The business case seeks approval for the release of local authority funding to finance Tower Hamlets' portion of the regionalised model. The business case also sets out some likely savings areas (in local authority) with indicative ranges. The potential effects of the regional adoption agency will be felt across all wards and will have a significant positive impact on children and adopters across the region.

**Alternative options**

There are no viable alternatives to this option. The Department for Education's expectation is that all Local Authorities are part of a regionalised model by April 2020. Whilst a number of options were considered early on including the creation of a new single entity to deliver adoption services across East London, the preferred option is to combine the four London boroughs with one borough becoming the host authority. Creation of new single entities is time consuming and costly and not a preferred option elsewhere with RAAs already live.

**6.4 An Integrated Information and Advice Plan for Tower Hamlets**

The Pre-Decision Scrutiny Questions and Officer responses were noted.

**DECISION**

1. To agree the recommendation in this paper and authorise an eight month extension for the Information, Advice and Advocacy contract (AHWB4183) to align the end date with other commissioned services, and in doing so, allow for an appraisal and re-design of the various information and advice services in the borough to inform a new integrated information model and offer.

**Action by:****CORPORATE DIRECTOR, HEALTH, ADULTS AND COMMUNITY (D. RADLEY)**

(Joint Director, Integrated Commissioning (W. Tomsett))

**Reasons for the decision**

The eight month extension to Real DPO Ltd will cost approximately £323,000 and is above the RCDA threshold, therefore Cabinet approval is required.

**Alternative options**

The following options have been considered but are not recommended:

- Decommission the existing Information, Advice and Advocacy service and tender for the Independent Advocacy under the Care Act 2014 element only.
- Retender a similar service for eight months from July 2019 to March 2020 so that any new service will be aligned with the end of the Tower Hamlets Community Advice Network contract and the Tower Hamlets Health and Advice Link contract.
- Retender an Information Advice and Advocacy service for three/five years which will put on hold any opportunity to integrate this service with other commissioned services.

**6.5 Grant of a lease for first floor of Bethnal Green Library, Cambridge Heath Road E2 0HL**

The exempt appendix was noted.

**DECISION**

1. To agree to the grant of a 7 year lease to Barts NHS Trust for the rent commencing at £60,000 pa.
2. To delegate to the Acting Corporate Director of Place in liaison with the Corporate Director Governance, authority to enter into any detailed negotiations and to enter into the legal documentation in order to give effect to the decision.
3. To note the Equalities Impact Assessment / specific equalities considerations as set out in Paragraph 4.1 of the report.

**Action by:**

**ACTING CORPORATE DIRECTOR, PLACE (A. SUTCLIFFE)**

(Acting Divisional Director, Property and Major Programmes (R. Chilcott)

**Reasons for the decision**

Parts of the building used as Bethnal Green Library have been under occupied for several years. This proposed letting will allow the first floor to be put back into use.

The Council's Whitechapel Delivery Project team had secured funds in the form of a grant from the GLA to support the delivery of new work space in the

area. Bethnal Green Library was identified as suitable for letting and the GLA agreed to include Bethnal Green Library in the funding allocation. This funding has been used to improve the overall condition of the building and made the first floor accessible and lettable.

This site in addition to being under occupied has been very expensive in terms of general maintenance and running costs. Securing a letting of the first floor will not only provide a rental income but will also spread the running costs of the site.

This report has been presented to Cabinet as the transaction has a value of over £250k over the duration of the term.

#### **Alternative options**

Leave everything as is – This is not an option as the Council cannot continue to bear the burden of all the maintenance and running costs. The funds from the GLA if not deployed would have been clawed back. The business case for the refurbishment could only be justified with the plans for securing a tenant.

Relocate Library and redevelop site – This library is a popular community resource, well located and has no other suitable space to relocate to. In addition, the building is listed building under s66 of the Planning (Listed Building and Conservation) Act 1990 making it more difficult to redeveloped and/or change its uses.

#### **7. ANY OTHER UNRESTRICTED BUSINESS CONSIDERED TO BE URGENT**

Nil items.

#### **8. EXCLUSION OF THE PRESS AND PUBLIC**

Nil items.

#### **9. EXEMPT / CONFIDENTIAL MINUTES**

Nil items.

#### **10. OVERVIEW & SCRUTINY COMMITTEE**

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

Nil items.

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

Nil items.

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

Nil items.

The meeting ended at 6.42 p.m.

Mayor John Biggs