

**LONDON BOROUGH OF TOWER HAMLETS**

**MINUTES OF THE CABINET**

**HELD AT 5.35 P.M. ON WEDNESDAY, 7 JULY 2010**

**ECOLOGY CENTRE, GROVE ROAD, OFF HAVERFIELD ROAD, LONDON E3  
5TW**

**Members Present:**

Councillor Helal Abbas (Chair)	(Leader of the Council)
Councillor Shahed Ali	(Lead Member, Environment)
Councillor David Edgar	(Lead Member, Resources)
Councillor Marc Francis	(Lead Member, Housing, Heritage and Planning)
Councillor Sirajul Islam	(Lead Member, Regeneration and Employment)
Councillor Denise Jones	(Lead Member, Culture and Creative Industries)
Councillor Shiria Khatun	(Lead Member, Children's Services)
Councillor Joshua Peck (Vice-Chair)	(Deputy Leader of the Council)
Councillor Rachael Saunders	(Lead Member, Health and Wellbeing)

**Other Councillors Present:**

Councillor Judith Gardiner	
Councillor Peter Golds	(Leader, Conservative Group)
Councillor Ann Jackson	(Chair, Overview & Scrutiny Committee)
Councillor Anwar Khan	
Councillor Lesley Pavitt	(Scrutiny Lead Member, Safe & Supportive Communities)

**Others Present:**

**Officers Present:**

Mohammed Ahad	– (Scrutiny Policy Officer, Scrutiny & Equalities, Chief Executive's)
Hafsha Ali	– (Acting Joint Service Head Scrutiny & Equalities, Chief Executive's)
Robin Beattie	– (Acting Head, Strategy & Resources Communities, Localities and Culture)
Isobel Cattermole	– (Acting Corporate Director, Children, Schools & Families)
Deborah Cohen	– (Service Head, Commissioning and Strategy, Adults Health and Wellbeing)

Kevan Collins	– (Chief Executive)
Aman Dalvi	– (Corporate Director, Development & Renewal)
Isabella Freeman	– (Assistant Chief Executive [Legal Services])
Stephen Halsey	– (Corporate Director, Communities, Localities & Culture)
Chris Holme	– (Service Head, Resources, Development & Renewal)
Judith St John	– (Head of Ideas Stores, Communities Localities & Culture)
Claire Jones	– (Management Support Officer, Development & Renewal)
Paul Leeson	– (Finance Manager, Development & Renewal)
Chris Naylor	– (Corporate Director, Resources)
Kelly Powell	– (Communications Officer, Communications, Chief Executive's)
Chris Saunders	– (Interim Political Advisor to the Labour Group)
Helen Taylor	– (Acting Corporate Director Adults Health & Wellbeing)
Angus Taylor	– (Executive Team Leader, Democratic Services, Chief Executive's)
John Williams	– (Service Head, Democratic Services, Chief Executive's)

### **COUNCILLOR H. ABBAS (CHAIR) IN THE CHAIR**

The Chair opened the meeting by:

- Welcoming those present in the public gallery to the first meeting of the Cabinet to be held outside the Town Hall, commenting that the attendance was significantly higher than normal, with many new faces.
- Stating that forthcoming Cabinet meetings prior to the Mayoral election in October 2010 were, at his request, also to be held in the Community with a view to promoting resident attendance and engagement.

Councillor Khatun, Lead Member Children's Services, announced that she was very pleased to inform members of the Cabinet that the Coalition Government had confirmed that Building Schools for the Future funding for projects in the borough would be unaffected by recent announcements about cuts in the programme's funding.

#### **1. APOLOGIES FOR ABSENCE**

Apologies for absence were received on behalf of:

- Councillor A. Ullah, Lead Member Community Safety.

Apologies for lateness were received on behalf of:

- Mr C. Naylor, Corporate Director Resources.
- Mr A. Dalvi, Corporate Director Development and Renewal
- Mr S. Halsey, Corporate Director Communities, Localities and Culture.

**Noted.**

## **2. DECLARATIONS OF INTEREST**

**Councillor D. Jones** declared a personal interest in Agenda Item 6.2 “Council Housing Finance Reform Prospectus – Implications for Tower Hamlets and Proposed Response” (CAB 011/101). The declaration of interest was made on the basis that the report contained recommendations relating to the future financing of housing for which the Council is landlord (properties in the ownership of the Authority managed by Tower Hamlets Homes), and Councillor Jones was a representative of the Authority on the governing body of Tower Hamlets Homes.

**Councillor S. Islam** declared a personal interest in Agenda Item 6.2 “Council Housing Finance Reform Prospectus – Implications for Tower Hamlets and Proposed Response” (CAB 011/101). The declaration of interest was made on the basis that the report contained recommendations relating to the future financing of housing for which the Council is landlord (properties in the ownership of the Authority managed by Tower Hamlets Homes), and Councillor Islam was a representative of the Authority on the governing body of Tower Hamlets Homes.

**Councillor D. Jones** declared a personal interest in Agenda Item 7.2 “Children, Schools and Families Capital Programme” (CAB 013/101). The declaration was made on the basis that the report contained recommendations relating to schools in general and Councillor Jones was a member of the governing body of Mulberry Secondary School.

**Councillor S. Islam** declared a personal interest in Agenda Item 7.2 “Children, Schools and Families Capital Programme” (CAB 013/101). The declaration was made on the basis that the report contained recommendations relating to primary schools in general, and John Scurr Primary School in particular, and Councillor Islam was a member of the governing body of John Scurr Primary School.

**Councillor R. Saunders** declared a personal interest in Agenda Item 7.2 “Children, Schools and Families Capital Programme” (CAB 013/101). The declaration was made on the basis that the report contained a recommendation relating to the expansion of Wellington Primary School, which was located in Mile End East Ward and Councillor Saunders was one of the Ward Councillors for Mile End East Ward and also had been a leading participant in the lobbying campaign for the expansion of the school.

**Noted.**

### 3. UNRESTRICTED MINUTES

The clerk advised that the Chief Executive had received a request from Councillor Eaton that a minor amendment be made to the record of her comments relating to agenda item 11.1 "Government announcement of 6.2 billion in year spending cuts" (page 21) as follows:

- Deletion of the text in bullet 3 "Expressed dismay that the proposed cuts would impact disproportionately on Tower Hamlets and the most needy in the Community, and offered support in the lobbying of the Coalition Government in this regard." and insertion of the text "Commented that were it to be the case that the proposed cuts would impact disproportionately on Tower Hamlets and the most needy in the Community, she would be as dismayed as members of the Cabinet and would offer her support in the lobbying of the Coalition Government in this regard."

The Chair commented that he was amenable to the amendment requested by Councillor Eaton.

Councillor Peck, Deputy Leader of the Council and Vice-Chair, proposed that the minutes be amended to correct the following 3 points of inaccuracy:

- Page 13 - Agenda item 7.1 "Children and Young People's Plan Annual Review 2009-10" final bullet point on page: he had stated that youth services continued not to address the needs of the west of LAP 5 and not the west of the borough, as recorded.
- Page 18 - Agenda item 7.2 "Establishment of a Children and Families Trust Board for Tower Hamlets" Resolution 4 at top of page: he recalled that a specific timescale for review of the membership and organisational structure of the Children and Families Trust Board had been set by the Cabinet and accordingly the reference to an "expeditious review" should be replaced with the specific timescale "that the outcomes of the review be reported back to the next meeting of the Cabinet".
- Page 20 - Agenda item 11.1 "Government announcement of 6.2 billion in year spending cuts" final bullet point on page: he had referred to the achievement of £5 million in efficiency savings in each of the last 5 years, not the achievement of £5 million in efficiency savings over the last 5 years, as recorded.

The Chair **Moved** (taking account of the proposed amendments from Councillor Peck and the advisement of the Clerk on behalf of Councillor Eaton); and it was: -

#### **Resolved**

That subject to the amendments set out below the unrestricted minutes of the ordinary meeting of the Cabinet held on 9<sup>th</sup> June 2010 be approved and signed by the Chair, as a correct record of the proceedings.

- Page 13 - Agenda item 7.1 "Children and Young People's Plan Annual Review 2009-10" final bullet point on page: deletion of the text

“continued not to address the needs of the west of the borough” and insertion of the text “continued not to address the needs of the west of LAP 5”.

- Page 18 - Agenda item 7.2 “Establishment of a Children and Families Trust Board for Tower Hamlets” Resolution 4 at top of page: deletion of the text “That an expeditious review of the membership and organisational structure of the Children and Families Trust Board be undertaken, by the Authority’s Transformation Board.....and the outcomes be reported back to Cabinet.” and insertion of the text “That a review of the membership and organisational structure of the Children and Families Trust Board be undertaken, by the Authority’s Transformation Board.....and the outcomes be reported back to the next meeting of the Cabinet.”
- Page 20 - Agenda item 11.1 “Government announcement of 6.2 billion in year spending cuts” final bullet point on page: deletion of the text “having achieved £5 million in efficiency savings over the last 5 years” and insertion of the text “having achieved £5 million in efficiency savings in each of the last 5 years”.
- Page 21 - agenda item 11.1 “Government announcement of 6.2 billion in year spending cuts”: Deletion of the text in bullet 3 “Expressed dismay that the proposed cuts would impact disproportionately on Tower Hamlets and the most needy in the Community, and offered support in the lobbying of the Coalition Government in this regard.” and insertion of the text “Commented that were it to be the case that the proposed cuts would impact disproportionately on Tower Hamlets and the most needy in the Community, she would be as dismayed as members of the Cabinet and would offer her support in the lobbying of the Coalition Government in this regard.”

#### **4. DEPUTATIONS & PETITIONS**

The clerk advised that the Assistant Chief Executive had received no requests for deputations or petitions in respect of the business contained in the agenda.

#### **5. OVERVIEW & SCRUTINY COMMITTEE**

Nil items.

##### **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 Jackson, Chair of the Overview and Scrutiny Committee, had **Tabled** a sheet of questions/ comments arising from the deliberations of the Overview and Scrutiny Committee, held on 6<sup>th</sup> July 2010, in respect of the unrestricted business contained in the agenda for consideration, a copy of which would be interleaved with the minutes.

Councillor Jackson, Chair of the Overview and Scrutiny Committee, addressed members of the Cabinet:

- Reporting consideration of the Diversity and Equality Action plan 2009/10 by the Overview and Scrutiny Committee and submitting a variety of comments from the discussion to inform Cabinet consideration of the same report.
- Reporting that the Single Equality Framework, contained in the agenda before members of the Cabinet, had been welcomed by the Committee as was the assurance from Councillor Saunders, Lead Member Health and Wellbeing, that she would accommodate their comments on the Framework.
- Reporting receipt of updates from the 6 Scrutiny Lead Members on the areas of work they would be undertaking in the year ahead, and outlining the specific areas for review.
- *Key Issues or Questions (Pre Scrutiny)*  
Informing members of the Cabinet that she had nothing to add to the questions/ comments raised by the Overview and Scrutiny Committee, as set out in the tabled paper regarding: -
  - Item 6.1 Idea Store Strategy Action Plan Update - Idea Store Metro Watney Market and One Stop Shop
  - Item 6.2 Council Housing Finance Reform Prospectus - Implications for Tower Hamlets and Proposed Response
  - **Item 7.1 Contracts Forward Plan**
  - Item 10.1 Single Equality Framework 2010/11
  - Item 10.3 Petitions Scheme

The Chair thanked Councillor Jackson for presenting the contribution of the Overview and Scrutiny Committee, noting the comprehensive work programme that had been agreed by the Committee for the year ahead; and then **Moved**; and it was: -

### **Resolved**

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 items of business to which the questions/ comments related.

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

The Clerk advised that no provisional decisions taken by the Cabinet, at its meeting held on 9<sup>th</sup> June 2010, had been referred back to Cabinet, by the Overview and Scrutiny Committee, for further consideration.

## **6. A GREAT PLACE TO LIVE**

## 6.1 Idea Store Strategy Action Plan Update - Idea Store Metro Watney Market and One Stop Shop (CAB 010/101)

Mr Beattie, Acting Service Head Strategy and Resources – Communities Localities and Culture, at the request of the Chair, in introducing the report:

- Summarised the key points contained therein, highlighting in particular:
  - That progress against the Idea Store Action Plan was set out in Appendix 2.
  - The innovative proposal to develop a new One Stop Shop (OSS) aligned to the development of a new Idea Store (IS) in Watney Market to provide lifelong learning opportunities for local residents.
    - A strategic need had been identified in the area for both an Idea Store, to replace sub- standard library provision, and improved OSS provision replacing accommodation at Cheviot House; also to improve/ develop Watney market itself. The new community facility would enhance the market offer.
    - Value for money was a primary element of the proposal and the co-location of the IS and OSS would enable more effective and efficient delivery of localised services. It was cheaper to link the two developments and joined up working would be improved.
    - The detail of Capital and Revenue resourcing for the scheme were signposted for Members; and attention drawn to the referencing, in error, of a Section 106 contribution to capital funding of the scheme arising from a specific development. There were a range of Section 106 grants available to support the scheme.
    - A key driver for the scheme was availability of £2 million of funding from the Big Lottery Fund, however this was time limited and a timely Cabinet commitment to the scheme was needed to secure the funding.
- Addressed, in conjunction with Mr Halsey, Corporate Director Communities, Localities and Culture, the matters raised by the Overview and Scrutiny Committee, held on 6<sup>th</sup> July 2010, in relation to the report; as set out in the tabled sheet of questions and comments presented by the Chair of the Overview and Scrutiny Committee earlier in the proceedings:

A discussion followed, during which the proposals in the report were broadly welcomed, and which focused on the following points:-

- In the context of the need for fiscal tightening it was important to recognise the underlying rationale for the scheme:
  - Availability of Big Lottery Funding of £2 million was time limited: the BLF Community Library Funding Programme would end in March 2013 and conditions for funding required the scheme to be operational 1 year before this. It was fortunate therefore that the scheme had been in the pipeline.

- The need for an IS in the area had been identified but it was not viable to construct one in isolation due to a capital shortfall of £800,000 and a shortfall in revenue going forward. The identified need for an OSS in the area was therefore timely as the marrying of the two schemes would address the financial shortfall and enable the provision of a building which enabled local residents to access OSS services and IS facilities. It would also address the difficulties for these residents of accessing the IS facilities at Whitechapel IS.
- The usage in the report of the term IS “metro” to describe the next phase of Idea Stores did not reflect the aspirations of Members, who preferred the term IS “local” and this should be revised here and going forward. Accordingly Councillor Jones proposed an additional recommendation to those set out in the report, for the consideration of members of the Cabinet as follows:

“That the terminology going forward in respect of the next phase of Idea Stores, be revised to reflect the wishes of the Cabinet that the word ‘Local’ replace that of ‘Metro’.”
- Councillor Jackson, Chair of the Overview and Scrutiny Committee, speaking with the consent of the Cabinet, commented that the pre-scrutiny question regarding the closure/ future of Cheviot House had arisen from questions from Members around whether public engagement with the proposals had been as good as it could have been, and in particular with older people, who used it as a social facility, and with children in relation to their safety in accessing the children’s library at the new location. Assurance was sought that the scheme would be managed to ensure vulnerable elements of the community did not suffer from the merger of the two services. Officers responded that there were plans for public consultation and safety issues would be addressed within any design solution for the scheme.
- Recognition that relocation of the OSS across the Commercial Road and the central location of the new joint IS/OSS facility in the market would enhance the market’s services, and pedestrian traffic to it would result in a boost for trade in the market, with the outcome positive for the area in general.
- Acknowledgement that there was evidence of increased usage of Idea Stores (IS’s) and also increased book lending and consideration that as the next phase of Idea Stores was rolled out that there was a continued focus on book lending. Ms St John, Head of Ideas Stores, at the request of the Lead Member Culture and Creative Industries, outlined the renewed focus on book lending within IS’s in the last year. Ms St John and her Officer team were commended for the improvement in lending levels at IS’s.
- Strong endorsement of the proposal as it was not possible to maintain OSS provision in the existing accommodation at Cheviot House.
- Clarification/ assurance was sought as to the level of officer confidence in achieving the Section 106 contribution to the scheme of £1.101,000, detailed in paragraph 8.4. Whether the source of this, referenced in the report as PA/07/02193, was the property at 32-42 Bethnal Green Road. Also what additional development schemes would yield Section 106



contributions for the proposal. The Corporate Director Communities Localities and Culture undertook to provide this information to Councillors Francis and Khatun in writing.

- Commented that the proposal was appealing, however, given there was an item of business later in the proceedings about identifying £9.1 million in Budget savings within the financial year, it was important to note the compelling rationale that if the proposal was not agreed £2 million of BLF funding would be lost. Commented also that it was important to note that the proposals would result in a 7% reduction in ongoing revenue commitments.
- Clarification/ assurance was sought and given regarding:
  - The level of officer confidence in relation to the future letting of the retail units currently occupied by the Watney Market Library.
  - Discussions undertaken with Tower Hamlets Homes (THH) in relation to the current co-location of the LBTH OSS and THH front desk at Cheviot House, and whether this co-location would continue at the new joint facility in Watney Market or the THH provision would remain in Cheviot House.
  - Whether the rental income from retail units currently occupied by Watney Market Library would accrue to the Council, with the exact figure to be provided to Councillor Islam in writing.
  - Whether the OSS contribution to capital funding of £1 million had yet to be identified or in which budget strand the provision existed.
  - The source of the Communities, Localities and Culture funding of the residual £105,000 in revenue costs for the scheme.

The Chair requested that Officers take account of the comments/ suggestions made by Members regarding:

- Ensuring consultation was undertaken with residents, particularly those that were vulnerable, and managing the scheme to ensure they did not suffer as a result of service re-provision. Also
- Maintaining progress in relation to Idea Store Strategy Action Plan.

He subsequently **Moved** (taking account of the additional recommendation 2.8 proposed by Councillor Jones) that recommendations 2.2 to 2.7 as set out in the report be agreed; and in relation to recommendation 2.1 "That the progress update on the Idea Store Strategy Action Plan be noted"; and it was:-

### **Resolved**

1. That the progress update on the Idea Store Strategy Action Plan be noted.
2. That the Corporate Director, Communities, Localities and Culture be authorised to enter into a grant funding agreement with the Big Lottery Fund (BLF) to secure the £2m of funding provisionally allocated to the project [Idea Store Local and One Stop Shop at Watney Market];

- 3 That the inclusion of the Idea Store Local and One Stop Shop at Watney Market within the Capital Programme be approved and a Capital Estimate for the sum of £4,101,000 be adopted for the delivery of the scheme;
- 4 That the Corporate Director Development and Renewal be authorised to facilitate the allocation of S106 commuted sums as part-finance for the scheme [Idea Store Local and One Stop Shop at Watney Market], as set out in the capital profile attached to the report (CAB 010/101), as a matter of priority;
5. That the Corporate Director, Communities, Localities and Culture be authorised to proceed with building procurement in accordance with Council's financial and procurement protocols subject to planning permission;
- 6 That the use of the Council owned plot of land listed in Appendix 1 for development of the new Idea Store Local and One Stop Shop be authorised; and
- 7 That the appropriation with immediate effect of the site for planning purposes pursuant to Section 122 of the Local Government Act 1972 be approved; and
8. That the terminology used in the report (CAB 010/101), recommendations contained therein, and going forward in respect of the next phase of Idea Stores, be revised to reflect the wishes of the Cabinet that the word "Local" replace that of "Metro".

## **6.2 Council Housing Finance Reform Prospectus - Implications for Tower Hamlets and Proposed Response (CAB 011/101)**

**Councillor D. Jones** declared a personal interest in Agenda Item 6.2 "Council Housing Finance Reform Prospectus – Implications for Tower Hamlets and Proposed Response" (CAB 011/101). The declaration of interest was made on the basis that the report contained recommendations relating to the future financing of housing for which the Council is landlord (properties in the ownership of the Authority managed by Tower Hamlets Homes), and Councillor Jones was a representative of the Authority on the governing body of Tower Hamlets Homes.

**Councillor S. Islam** declared a personal interest in Agenda Item 6.2 "Council Housing Finance Reform Prospectus – Implications for Tower Hamlets and Proposed Response" (CAB 011/101). The declaration of interest was made on the basis that the report contained recommendations relating to the future financing of housing for which the Council is landlord (properties in the ownership of the Authority managed by Tower Hamlets Homes), and Councillor Islam was a representative of the Authority on the governing body of Tower Hamlets Homes.

Mr Holme, Service Head Resources – Development and Renewal, at the request of the Chair, in introducing the report:

- Summarised the key points contained therein, highlighting in particular that:
  - The former Government's prospectus on council housing reform represented the most fundamental change in a generation as to how council housing was financed.
  - Following very lengthy consultation and detailed review it set out a way to address the unfair and highly volatile housing subsidy system. This volatility could have huge in-year financial implications, and planning with any certainty for the years ahead was not possible.
  - Under the current system the entitlement of Tower Hamlets to subsidy was falling year-on year at an alarming rate, which required costs to be reduced. Furthermore it blurred the relationship between tenants and leaseholders: what they paid in rents/ service charges and the services they received/ costs thereof.
  - The Coalition Government had stated that it wishes to dismantle the housing subsidy system but a definitive announcement was awaited.
  - The deadline for response to the Government's Prospectus had been 6 July and response already submitted by the Authority was appended to the report. The response reflected an assessment:
    - Of the impact of the proposals for Tower Hamlets. These would involve redeeming £277m of housing debt, in return for no longer receiving any future housing subsidy. LBTH would however retain all future Right to Buy (RTB) receipts and rents, which would present a problem under the current system in the longer term because eventually Tower Hamlets would become a net contributor to the subsidy system ie a proportion of rents would be handed over to the Treasury.
    - Of the 2 systems over the next 30 years and conclusion the offer provides the best opportunity for long term sustainability of the Housing Revenue Account (HRA) and tackling the huge capital investment requirements of the Authority's dwelling stock.
  - Officers further recommended that Cabinet reaffirmed and strengthens the HRA financial strategy agreed in February to enable long term stability and improved transparency for tenants and leaseholders, and maximise the capital resources available through retention of all RTB receipts for social housing and regeneration.
  - Outlined risks that could be presented by a change to policy by the Coalition Government.
    - Reduction in debt adjustment so the Authority started with a higher level of opening debt, resulting in less freedom for future borrowing.

- That the 7% NPV adjustment would be removed so the Authority would not benefit from the freedom to deliver new supply.
- Risk to Capital Receipts and/or social housing grant for delivery of new supply.
- Risk to Decent Homes grant allocation.
- That only PWLB debt would be redeemed.
- Addressed the matters raised by the Overview and Scrutiny Committee, held on 6<sup>th</sup> July 2010, in relation to the report; as set out in the tabled sheet of questions and comments presented by the Chair of the Overview and Scrutiny Committee earlier in the proceedings:

A discussion followed, during which the proposals in the report were broadly welcomed, and which focused on the following points:-

- Noted the importance of the proposals in the context of a continuation of the current trend which would mean Tower Hamlets became a net contributing to the national HRA. Previously it had benefitted from the housing subsidy arrangement and in one year received £60 million.
- Consideration that this was the best offer Local Government and Tower Hamlets would receive from the Coalition Government and was the outcome of intensive lobbying of the former Government including that from SHELTER and Defend Council Housing. It had been feared that potential benefits and debt write off would be pared down in response to lobbying from authorities outside London. Accordingly the Lead Member Housing Heritage and Planning strongly commended to Cabinet the response to Government on the housing offer as outlined in the Prospectus.
- Councillor Jackson, Chair of the Overview and Scrutiny Committee, speaking with Cabinet consent, welcomed the report but commented that given the consequences of consolidated rates of interest and the current economic climate it was imperative that the Authority was very cautious in its reliance on forecasting, given that under the proposals it would have responsibility for the future management of housing funding.
- Consideration that the proposed system of housing subsidy was good news for Tower Hamlets if it could retain its share of subsidy, even if it did not receive the promised resources for the Arms Length Management Organisation (ALMO) in the Autumn. The Lead Member Housing Heritage and Planning informed Cabinet members that, in response to questions from the new MP for Bethnal Green and Bow, the Coalition Government had refused to give a commitment to honour the promise of £220 million in Decent Homes funding for Tower Hamlets, instead indicating it would be the subject of an Autumn spending review.
- Clarification was sought and given regarding:
  - Whether there was any information or indication from the Coalition Government as to how it would take this matter forward/ shape it differently.

- What the response of the Conservative/ Liberal Democrat controlled Local Government Association had been to the Prospectus.
- Noted, with reference to paragraph 7.3 of the report, that if the proposals in the Prospectus were implemented as expected, Tower Hamlets would be given the opportunity to build 60 new homes. A welcome development although not a significant one in the context of numbers on the Housing Waiting List.
- Consideration that most financial principles, set out in paragraph 9.2 and proposed for agreement in recommendation 2.4 were sensible and should be adopted in any event. However some scepticism was expressed regarding the principle of achieving rent convergence in line with Government guidelines, given that in 2009 the Authority had set rents at a level contrary to that advised by Government because that level disadvantaged residents.
- Consideration, with regard to recommended ring-fencing of RTB receipts to support social housing and housing regeneration, that in the context of a decline in capital funding from RTB receipts and other capital receipts it was important to maintain the flexibility that had served the Authority well in the past, and that although the resources would almost certainly be used to support housing objectives, this usage should be reviewed on an annual basis;
- Clarification was also sought and given, with reference to paragraph 4.3 of the report, that this appeared to recommend paying down debt on individual properties sold under the RTB, as to whether it was possible to ring-fence an individual RTB receipt to the property from whose sale it arose, or whether the RTB receipts needed to go into a collective pot.
- Councillor Peck, Deputy Leader of the Council, responded to the Officer clarification, commenting that there were two policy decisions being requested of the Cabinet: firstly relating to paying down debt on individual properties sold under the RTB, and secondly regarding the future usage of surplus arising from RTB receipts, which could be used for other purposes than social housing/ housing regeneration. He endorsed the first proposal, but felt that usage of any RTB surplus after this paying down of debt should be considered on an annual basis. Accordingly he moved the following amendment to recommendation 2.5 contained in the report, for the consideration of members of the Cabinet:

“That the usage, to support social housing and housing regeneration capital programmes or otherwise, of any aggregated surplus arising from future Right-to-Buy receipts after debts on individual properties that have been the subject of Right-to-Buy have been remitted, be the subject of annual Cabinet consideration.”
- Mr Holme, Service Head Resources, clarified that if the new system of financing council housing, set out in the Prospectus, was implemented it was a requirement that 75% of RTB receipts be applied for housing purposes and the only flexibility related to the remaining 25%.

The Chair **Moved** the recommendations as set out in the report (taking account of the amendment proposed by Councillor Peck); and it was:-

### **Resolved**

1. That the long term financial implications for Tower Hamlets of continuing with the current housing subsidy system and that of the current Housing Revenue Account (HRA) self-financing offer, from the Department for Communities and Local Government (CLG) "Prospectus" – Council Housing A Real Future, as set out in paragraph 7 of the report (CAB 011/101), be noted;
2. That the response in Appendix 2 of the report (CAB 011/101), submitted to CLG in accordance with the deadline of 5 July 2010, be noted;
3. That the Corporate Director Development and Renewal, after consultation with the Corporate Director Resources, Lead Member Housing Heritage and Planning, and Lead Member Resources be authorised to provide any further responses to CLG that may be required in relation to the Prospectus;
4. That the financial principles set out in paragraph 9.2 of the report (CAB 011/101) to support delivery of a sustainable Housing Revenue Account, be agreed; and
5. That the usage, to support social housing and housing regeneration capital programmes or otherwise, of any aggregated surplus arising from future Right-to-Buy receipts after debts on individual properties that have been the subject of Right-to-Buy have been remitted, be the subject of annual Cabinet consideration.

## **7. A PROSPEROUS COMMUNITY**

### **7.1 Contracts Forward Plan (CAB 012/101)**

Mr Naylor, Corporate Director Resources, at the request of the Chair, in introducing the report:

- Summarised the key points contained therein, advising members of the Cabinet in particular that the estimated value of contract R3195 "Payroll and Integrated HR System" was £380,763 and not the figure stated in Appendix 1 to the report.
- Addressed, in conjunction with Mr Dalvi, Corporate Director Development and Renewal and Mr Halsey, Corporate Director Communities, Localities and Culture, the matters raised by the Overview and Scrutiny Committee, held on 6<sup>th</sup> July 2010, in relation to the report; as set out in the tabled sheet of questions and comments presented by the Chair of the Overview and Scrutiny Committee earlier in the proceedings.

A discussion followed which focused on the following points:-

- Councillor Edgar, Lead Member Resources, commented that the recommendation contained in the report requested that the Cabinet specifically identify contracts where it felt it appropriate that a further report required its consideration prior to contract award by Chief Officers under delegated authority. Accordingly Councillor Edgar proposed the following amendment to the recommendation set out in the report for the consideration of members of the Cabinet:  
“That a specific report be submitted for Cabinet consideration in respect of the following contracts, prior to contract award by an appropriate Chief Officer for the service area:
  - AHWB 3200 “Supporting People Multiple Contracts”
  - CE 3105 “The removal of nuisance vehicles in the borough”
- Mr Halsey, Corporate Director Communities, Localities and Culture, advised members of the Cabinet that the Contract for the removal of nuisance vehicles had been awarded by the Cabinet in April 2010. He added that although he could provide a progress update, it might be more appropriate for any review of contractual arrangements to be included within the scope of the scrutiny review of parking services to be undertaken by the Overview and Scrutiny Committee in 2010/11. The Lead Member Resources confirmed that this would be a satisfactory way forward.
- Councillor Jackson, Chair of the Overview and Scrutiny Committee, speaking with Cabinet consent, commented that the pre scrutiny question regarding publicity for High Street 2012 had arisen because Members had felt that careful thought needed to be given to communicating to local residents progress and expectations in respect of this; it was not just a matter of activities being timed not to conflict with those of other Olympic delivery agencies.
- Clarification was sought and given, as to whether the Tower Hamlets Primary Care Trust (PCT) was the delivery agency for contract CLC 3166 “Medical Assessment Services”.
- Comment, with reference to contract DR3232 “Temporary Accommodation“ for the homelessness service that the Lead Member Housing Heritage and Planning was closely following the endeavours of Officers to achieve better value from local landlords on which significant progress had been made.
- Comment that cuts to the local housing allowance could cause a significant funding shortfall and therefore problems in the future. This was being capped at the level for a 4 bed property rather than that for 5 or 6 beds with a potentially serious impact on larger households and effect approximately 1000 households in temporary accommodation and the tenanted private sector. The Authority would continue to lobby against the cap.
- Commented that this was an important contract not just because it had a value of £15 million per annum, but because it ensured the support arrangements for vulnerable older people and homeless people too, and requested that the report to Cabinet prior to contract award under

delegated authority, proposed by Councillor Edgar, contain the fullest information possible.

The Chair **Moved** the recommendation set out in the report (taking account of the amendments proposed by Councillor Edgar and the advisement of the Corporate Director Communities, Localities and Culture) with the following further amendment (taking account of the advisement of the Corporate Director Resources) for the consideration of members of the Cabinet: "That the contract summary attached at Appendix 1 to the report be noted"; and it was: -

### **Resolved**

1. That the contract summary attached at Appendix 1 to the report (CAB 012/101) be noted, noting also the advisement of the Corporate Director Resources that the estimated value of contract R3195 "Payroll and Integrated HR System" was £380,763 and not the figure stated in Appendix 1; and
2. It be agreed that a specific report be submitted for Cabinet consideration in respect of the following contract, prior to contract award by an appropriate Chief Officer for the service area:
  - AHWB 3200 "Supporting People Multiple Contracts".

## **7.2 Children, Schools and Families Capital Programme (CAB 013/101)**

**Councillor D. Jones** declared a personal interest in Agenda Item 7.2 "Children, Schools and Families Capital Programme" (CAB 013/101). The declaration was made on the basis that the report contained recommendations relating to schools in general and Councillor Jones was a member of the governing body of Mulberry Secondary School.

**Councillor S. Islam** declared a personal interest in Agenda Item 7.2 "Children, Schools and Families Capital Programme" (CAB 013/101). The declaration was made on the basis that the report contained recommendations relating to primary schools in general, and John Scurr Primary School in particular, and Councillor Islam was a member of the governing body of John Scurr Primary School.

**Councillor R. Saunders** declared a personal interest in Agenda Item 7.2 "Children, Schools and Families Capital Programme" (CAB 013/101). The declaration was made on the basis that the report contained a recommendation relating to the expansion of Wellington Primary School, which was located in Mile End East Ward and Councillor Saunders was one of the Ward Councillors for Mile End East Ward and also had been a leading participant in the lobbying campaign for the expansion of the school.

Ms Cattermole, Acting Corporate Director Children, Schools and Families, at the request of the Chair, in introducing the report summarised the key points contained therein, highlighting in particular:



- The positive news, announced earlier in the proceedings by the Lead Member Children's Services, regarding the Government confirmation that BSF funded projects in the borough would be unaffected by recent announcements about cuts in the programme's funding.
- That the report was the second this year on Children Schools and Families (CSF) works across the estate of primary and secondary schools resourced from Government grant, Supported Borrowing, Section 106 contributions, the Local Priorities Programme and contributions from schools. It focused on:
  - Ensuring that the school stock had a sustainable future.
  - Ensuring adequate provision of pupil places by the Authority at Primary, Secondary and Early Years level.
- Expansion programmes for 18 months to 2 years going forward were presented for Cabinet approval as was the proposed feasibility study for Culloden Primary School.

A discussion followed, during which the proposals in the report were broadly welcomed, and which focused on the following points:-

- The inclusion within the proposed capital programme of a scheme for the expansion of Wellington Primary School and the allocation of resources to improve the swimming pool at Stebon Primary School, built with contributions from parents in the 1950's, was welcomed.
- Clarification was sought and given, with regard to a number of schemes for new/replacement windows, included in the CSF capital programme, as to whether the properties for which these were proposed were built in the Victorian period or were of a historic nature; also whether the Authority was complying with heritage/conservation area requirements in relation to such schemes. Commented in this context that there were a number of Victorian schools in Bow West Ward to which PVC windows had been fitted, and residents in the vicinity were very displeased about this.

The Chair in **Moving** the recommendations as set out in the report, noted their positive nature:-

### **Resolved**

1. That the contents of the report (CAB 013/101) and specifically the proposed allocations for 2010/11 and out-turn in the 2009/10 Children Schools and Families (CSF) Programme, detailed in Appendix A and paragraph 6.3 of the report, be noted;
2. That the adoption of revised capital estimates for the 2010/11 modernisation programme for relevant schemes, as shown in Appendix B to the report (CAB 013/101), be approved and expenditure authorised as set out in paragraph 6.7;
3. That the adoption of the revised capital estimate of £3.4m for the remodelling work at the Harry Gosling Primary school as set out in paragraph 6.9 of the report (CAB 013/101), be approved;

4. That the progress with the Primary Capital Programme (PCP) schemes, as shown in Appendix C to the report (CAB 013/101), be noted; and the revised capital costs and estimates within the overall approved programme, as set out in paragraph 6.12, be approved;
5. That the adoption of the revised capital estimate of £6.6m for the expansion project at the Marnier Primary school, as set out in paragraph 6.16 of the report (CAB 013/101), be approved;
6. That the adoption of a revised capital estimate of £3.051m for the expansion of Wellington Primary School , as set out in paragraph 6.17 of the report (CAB 013/101), be approved;
7. That the adoption of a revised capital estimate of £4.65m for the expansion of Arnhem Wharf Primary School, as set out in paragraph 6.18 of the report (CAB 013/101), be approved;
8. That the adoption of a preliminary capital estimate of £5.5m for the proposed expansion of Culloden Primary School, as set out in paragraph 6.19 of the report (CAB 013/101), be approved;
9. That the adoption of a capital estimate of a further £250,000 to cover the costs of undertaking feasibility studies/surveys for schemes being considered for inclusion in the capital programme be approved and expenditure, as set out in paragraph 6.24 of the report (CAB 013/101), be authorised;
10. That the adoption of the capital estimate of £598,613 for Early Years Service (EYS) Capital Programme 2010/11 be approved, and the Corporate Director CSF be authorised to approve the detailed list, as set out at paragraph 6.28 of the report (CAB 013/101);
11. That the award of a grant of £381,313 to Lincoln Hall Playgroup to increase the capacity of the playgroup and fund additional improvements, as set out at paragraph 6.29 of the report (CAB 013/101), be approved;
12. That the award of a grant of £590,570 to Mudchute Nursery to carry out a comprehensive programme of internal remodelling and expansion of the building, as set out at paragraph 6.30 of the report (CAB 013/101), be approved;
13. That, in respect of all proposed tenders referred in this report, in the event of the lowest tender for any scheme exceeding the approved budget, the Corporate Director CSF be authorised to prepare and carry out a Bill of Reductions where relevant to ensure expenditure is contained within the agreed costs.

## **8. A SAFE AND SUPPORTIVE COMMUNITY**

The Clerk advised that there were no business to be considered under this section of the agenda.

## **9. A HEALTHY COMMUNITY**

The Clerk advised that there were no business to be considered under this section of the agenda.

## **10. ONE TOWER HAMLETS**

### **10.1 Single Equality Framework 2010/11 (CAB 014/101)**

Ms Freeman, Assistant Chief Executive – Legal Services, at the request of the Chair, in introducing the report:

- Summarised the key points contained therein, highlighting in particular:
  - That the proposed Single Equality Framework (SEF) would form the Authority's new Corporate Strategy for promoting diversity and equality, and would assist in achieving the vision within the Community Plan of One Tower Hamlets: prioritising equality outcomes requiring strategic intervention and assuring delivery capacity.
  - That the Equality Act 2010 was not yet in force but imposed new duties on the Authority, recognising the need to address inequality in a more integrated way. The Equality Framework for Local Government replaced the Equality Standard in 2009, providing a basis to assess the understanding and response to the profile of inequality in their area. The SEF drew together equalities work across the Council including actions necessary to maintain the highest level of the Equality Framework and also responded to the requirements of the Act.
  - The mapping of inequality across the equality strands, set out at paragraph 4.2 of the report to identify persistent and systemic inequality requiring a holistic response, and the Action Plan to strengthen the Authority's capacity to tackle inequality set out at page 15 of the SEF appended to the report.
  - The award in January 2010 of 'excellent' status to the Authority in its assessment against the Equality Framework for Local Government, was a strong indication that it had the right approach to understanding and responding to inequality.
  - Addressed the matters raised by the Overview and Scrutiny Committee, held on 6<sup>th</sup> July 2010, in relation to the report; as set out in the tabled sheet of questions and comments presented by the Chair of the Overview and Scrutiny Committee earlier in the proceedings:

A discussion followed, during which the proposals in the report were broadly welcomed, and which focused on the following points:-

- Commented that although activities being undertaken across the equality strands had been outlined, it was important to communicate the commitment of the Cabinet, and Administration in general, to tackle homophobic bullying in schools.
- Noted that the Single Equality Framework sat above the individual equality schemes and the Authority had been judged to be 'excellent' against this, not only for its equality schemes but also its understanding and mainstreaming of equalities in all the activities it undertook.
- Commented that the SEF had two main purposes: firstly to build capacity to incorporate equalities into the work of the Tower Hamlets Partnership and the Council in particular; secondly to build understanding of equalities considerations around particular issues in order to effectively inform intervention. A strategic decision had been made to focus on two areas in this regard: reducing the level of unemployment/ worklessness amongst Bangladeshi and Somali residents and women in particular and also the dignity of older people with particular reference to personal care.
- Emphasised the importance of tackling the use of homophobic language in any initiative to reduce homophobic bullying and bullying in the borough generally. The importance of this to children was highlighted in a scrutiny challenge session in 2009. The importance of engaging young people in communicating the anti-bullying message to their peers was also noted. Clarification/ assurance was given by the Lead Member Children's Services and Acting Corporate Director Children Schools and Families that this phenomena was treated very seriously and consequently much work was underway in schools and the youth service often in partnership with the voluntary sector. Clarification was also sought and given as to how the Authority ensured that schools which were excellent in this field maintained performance and best practice was disseminated.
- Clarification/ assurance was sought and given as to whether Officers would be undertaking Equality Impact Assessments in the context of Council benefits being frozen, and cuts being made in disability and housing benefit which would impact on the poorest elements of the community. The Lead Member Health and Wellbeing responded that a Members Equality Group had been re-established with a remit to examine the impact of public sector spending cuts (both by Government and locally) and the economic situation on the residents of Tower Hamlets, look at what the Council could do to minimise these effects and ensure that equalities considerations were taken into account in the Council's decision making and remained at the heart of its activities.
- Clarification/ assurance was sought and given as to whether the promotion of community cohesion and the celebration of diversity would be linked to activities for the 2012 Olympic and Paralympic Games. Consideration also that the Olympic Ambassador for the Borough needed to be used more effectively in this regard.

The Chair in **Moving** the recommendations, as set out in the report, endorsed the comments of Cabinet members during the discussion that the Authority

took equalities issues very seriously and pride could be taken in its track record in this area. However it was not complacent, and constantly reviewed its approach in striving to improve further, and above all ensure that all residents young or old and regardless of sexual orientation, race, religion/belief disability or gender had the opportunity to access quality services. And it was: -

### **Resolved**

That the Single Equality Framework 2009/10, set out in Appendix 1 to the report (CAB 014/101), be approved.

## **10.2 2010/11 In Year Budget Savings (CAB 015/101)**

The Chair informed members of the Cabinet that Councillor Edgar, Lead Member: Resources, had **Tabled** a **Motion** in relation to the recommendations set out in the report, a copy of which would be interleaved with the minutes.

Mr Naylor, Corporate Director Resources, at the request of the Chair, in introducing the report summarised the key points contained therein, advising that:

- The Cabinet had considered a report at their meeting in June 2010 that invited them to make decisions in July in respect of closing the in year budget gap, that had arisen as a result of the Chancellor of the Exchequer's announcement of £6.2 billion of spending cuts, the local government share being £1.160 billion.
- The precise detail of the impact on Tower Hamlets had been unknown in June, however Officers had been requested to bring forward proposals in July to achieve £10 million of savings. It was now clear that in 2010/11 Tower Hamlets would receive £4.125 million less in grants than budgeted for and through a process of osmosis it was apparent that a further £5 million of grants received in previous years would not now be allocated. The report presented a range of savings options totalling £10.3 million including £8.1 million of ongoing savings.
- A further report in the suite of reports would be submitted for Cabinet consideration in August in relation to a best estimate of the impact of the Chancellor of the Exchequer's announcement for savings in future years.
- Cabinet were recommended to agree a balanced budget to set the Authority on course for the journey to 2011/12 and beyond.

Councillor Edgar, Lead Member Resources, in **Moving** the tabled motion commented that: -

- The announcement ,made earlier in the proceedings by the Lead Member Children's Services, that the Government had confirmed that Building Schools for the Future resources allocated to schools in the borough would be unaffected by recent announcements about cuts in the programme's funding, was welcome news. This was a reflection of how the Council had grasped the opportunity, and worked hard and

fast to move the proposals forward and secure the funding and achievement of the objectives, and the Member/ Officer team were to be commended for this.

- The Council should not be introspective in its approach but reflect on the impact of the spending cuts on other agencies/ partners who provided services to the residents of the borough, such as the National Health Service, and take account of these agencies when making the required spending cuts.
- It was important to take account of equality objectives within the budget decision making. The Council needed to ensure it understood the impact of spending cuts on different elements of the community and have thought through its approach in this context.
- The motion he had tabled responded to Officer proposals for savings and also to the decision of the Cabinet, in June, to focus on protecting the delivery of front line services and the Administration's priority of achieving a safe and secure community for all residents of the borough. The savings proposals brought forward reflected the broad policy approach of the Administration. It was proposed that a number of savings put forward by Officers be taken, one of which was subject to agreement by the Schools Forum, and others not taken.
- There were a number of proposals regarding agency staff: reducing the number used by the Council and also the expenditure on agencies providing them.
- Some proposals involved providing a better service at lower cost for example the Re-ablement Programme: which included the provision of intensive support for those leaving hospital enabling people to stay in their home and ensuring it was less likely they re-entered hospital, thereby reducing take up of other expensive care options and resulting in reduced long term costs.
- Some proposed savings reflected a loss of funding in 2010/11. However in reducing costs good work was being done on finding ways to work more efficiently, the positive outcome being to enable the protection of some initiatives in 2010/11. For example it was proposed not to claw back resources from the Youth Opportunities Fund but to continue to allocate resources in the current financial year. Members had also recognised the advocacy of young people for a number of pieces of good work within the "positive activities for young people" and it was proposed that these activities continue to be funded in the current financial year.
- The Government had announced that it was to cut funding for free swimming for those under 16 and over 60 years old from 31 July 2010. Free swimming had been a very popular initiative locally with Tower Hamlets having the highest uptake in East London. The benefits to health of the initiative were clear and it also provided a positive activity for young people during the coming summer months. The motion therefore proposed that the free swimming initiative continue to be supported in Tower Hamlets until 31 October 2010, and that this be funded by a reduction of 5% in the Special Responsibility Allowances (SRAs) for Members with effect from 1 August 2010 and a reduction in catering at the Authority's meetings.

- The reduction in SRAs also demonstrated the recognition on the part of councillors that they must take decisions close to home if they were to remain connected to the experience of the community at this time; and they would continue to examine such options.
- He commended the motion's proposals to the Cabinet, emphasising that the savings were those that would have least impact on front line services, and some important activities would continue to receive funding this financial year. These savings were best placed at this juncture, but it should be noted that the Coalition Government had announced cuts of the order of 25% to 40% for the four years from 2011/12.

A discussion followed, during which the proposals in the motion were endorsed, and which focused on the following points:-

- The proposal to continue the funding of free swimming for those under 16 and over 60 years old until 31 October 2010 was welcomed. Clarification/ assurance was sought as to the position after 31 October. Commented that it was extraordinary that the Government was targeting Children's sport for cuts, and this was of particular concern in Tower Hamlets where there was a programme for child fitness aimed at tackling acknowledged child obesity levels.
- The Lead Member Resources and the Corporate Director Resources were commended for identifying £8 million of savings in a matter of weeks, given the duration of the last Budget process required to arrive at £5 million of efficiency savings for 2010/11.
- The delivery of protected and improved frontline services for vulnerable people in the community, by Adults Health and Wellbeing, with ongoing savings of £1.8 million was commended.
- The Council's programme to identify efficiency savings, which had yielded £5 million of savings every year for the past 5 years, had placed it in a strong position to approach this savings process. However resources which would otherwise be available for re-investment in service delivery were regrettably having to be taken as a saving.
- Whilst there were differing views between the Labour, Conservative and Liberal Democrat parties as to the scale of spending cuts necessary it was essential to continue a dialogue on the approach to these. The disparities in the scale of cuts in London (Hackney and Newham compared with Kensington & Chelsea and Richmond) were considered unfair, as was the disproportionate impact on the poor and vulnerable in the community for example cuts in free swimming and child trust funds. The support of Opposition groups to lobbying ministers and the Mayor of London in the interests of protecting local people against the impact of huge spending cuts would be welcomed by the Administration.
- With a rapidly ageing population and a Government targeting cuts at the poorest in the community, if this process continued life would become extremely difficult for these vulnerable people.

- Concern was expressed at the prospect of cuts in the Housing Planning Delivery Grant from which Tower Hamlets had received approximately £1 million for the previous 5 years, and which had been used to fund new social housing in the borough. This had previously been thought to be an agenda with all party support but it was to be cut without replacement.
- It was important to note that savings had been identified to meet the in year budget gap, but the savings could not be achieved without a detrimental impact on the activities undertaken by the Council and the resources available for this. The Lead Member Resources and colleagues were working to minimise the impact of the spending cuts and the proposal not to take savings relating to Connexions and the Youth Opportunities Fund was welcomed.
- Consideration that it was right that Members should share the burden of minimising the impact of spending cuts on service users in the borough, and the proposal to reduce the councillor SRAs as a means to fund service delivery, that would otherwise be cut, was endorsed. It was noted that this had been proposed voluntarily by the Majority Group with little impact on the Opposition Groups. Noted also that some Conservative-led authorities had proposed increases to their SRAs whilst at the same time implementing cuts to services.
- With regard to the proposed saving of the unspent element of the Council Tax rebate budget, it was noted that £450,000 of the £650,000 had been spent equating approximately to a £100 rebate for 4,000 pensioners. Although the saving in 2010/11 was supported, the Lead Member Housing Heritage and Planning considered that once a balance budget had been set this worthwhile initiative, which could be ongoing, merited re-examination. The Lead Member Resources responded that it would be one of many matters discussed later in arriving at a budget for future years.
- Consideration that a clear Communications Strategy was required to inform residents what savings were being made, and why this was the case.
- The release of agency staff was welcomed. However clarification/assurance was sought and given with regard to the saving brought forward, but not proposed for agreement, on reduction of third party spend on the Council's Management Development Programme that, were the saving to be considered in future, this would not have a detrimental impact on the Council's policy objective of achieving a workforce that reflects the Community, particularly in the context of vacant posts resulting from the release of agency staff.
- Councillor Golds, Leader of the Conservative Group, speaking with the consent of the Cabinet, commented that post election spending cuts had been inevitable whatever the political composition of the Government. He broadly endorsed the comments of the Lead Member Resources, although not privy to all the associated detail. He believed that anybody of goodwill had a story to tell and it would be listened to, particularly in the context of the localism now favoured. The free swimming in Tower Hamlets was an example, and his party would support this, however it was a small amount involved. The Council



must examine what it did and the wider picture. With regard to the Council Tax rebate, he suggested that this should be limited to the lower bands ie those people most in need.

- The Assistant Chief Executive - Legal Services, advised that adoption of an allowances scheme for Councillors and agreement of any subsequent changes to this, was a matter reserved to the full Council, and therefore could only be recommended to it by Cabinet.

The Chair formally **Seconded** the motion as tabled, commenting that:

- Labour councillors believed in leading by example and were demonstrating this with the proposal to reduce their SRAs.
- The Council had been working to improve service delivery and provide more for less year on year, and would continue to work to this end.
- The Labour Administration would prioritise front line services in the process of fiscal tightening ahead.
- The support of Opposition Groups and in particular the commitment from Councillor Golds, Leader of the Conservative Group, was welcome in lobbying Government to fund services for local people that everyone believed in.
- He had noted the aspiration of provision for those in need but not universal.

and it was:-

### **Resolved**

1. That the list of savings brought forward by officers [summarised in paragraph 7.2 of the report (CAB 015/101) and detailed at Appendix A to the report] be noted;
2. That Cabinet agreement, at its meeting held on 9 June 2010, that the priority in responding to the Government's spending cuts should be to focus on protecting the delivery of frontline services, and in particular the priority of achieving a safe and secure community for all residents of Tower Hamlets, be noted;
3. That in this context, the following savings proposals totalling £7.63 million be agreed:

1.1	2009/10 Partnership underspend carried into 2010/11
1.2	2010/11 Partnership staff savings
1.3	2010/11 Partnership supplies and services savings
1.4	2010/11 Partnership potential underspend
1.5	Working Neighbourhoods Fund Evaluation – scale down
1.7	Deletion of the vacant Assistant Chief Executive post
2.3	Underspend due to organisations failing to match grant
2.4	Working Neighbourhoods Fund – Making Work Pay/Homelessness – project Contract ended due to poor performance
2.5	Unspent element of Council Tax rebate

4.1	AHWB Directorate – Care Funding Calculator use to reduce costs while improving outcomes for service users (£400,000); Reablement programme – intensive support following eg leaving hospital resulting in reduced long-term costs (£300,000); Closing voids in homeless hostel (£200,000); Electronic homecare monitoring (£160,000); Use of single agency for home care agency staff (£400,000); Reduced use of agency staff (£250,000); Reduced residential placements (£100,000)
4.2	CSF Directorate – reduce building budgets for central maintenance (£50,000), reduce services' communications budget by better planning and control, realise early the cross departmental R2P savings.
4.3	Resources Directorate – admin restructuring.
4.4	CLC Directorate – Health & Safety review service integration
5.1	Improved performance management
5.2	Vacancy management
5.3	Sickness management/allowances etc

4. That the following proposal saving £490,000 be agreed, subject to the agreement of the Schools Forum:

3.1	Transferring funding for some school related Area Based Grant activities to Direct Schools Grant funding
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5. That the following activities be continued in 2010/11 and therefore making the following savings, totalling £2.212 million, not be agreed:

1.6	Implementation of 3 <sup>rd</sup> sector strategy
2.1	Unallocated Working Neighbourhoods Fund for Connexions Service
2.2	Unallocated budgets from Cohesion Fund
2.6	Positive Activities for Young People – uncommitted amount
2.7	Uncommitted Area Based Grant payments to schemes
2.8	Youth Opportunities Fund – uncommitted amount
3.2	Make Professional Development Centre self-financing
6.1	Review third party expenditure on management development programme

6. That the decision of the Government to cut funding for free swimming from 31 July 2010, be noted. Also that funding the continuation of free swimming in the borough until 31 October 2010, at a cost of £42,000, largely funded by the additional savings set out below, be agreed (subject to resolution 7 below):

- Reducing Special Responsibility Allowances by 5% with effect from 1 August 2010 thereby saving £13,000.
- Substantially reducing catering at meetings thereby saving £25,000; and

7. That noting the advisement of the Assistant Chief Executive - Legal Services, that adoption of an allowances scheme for Councillors and agreement of any subsequent changes to this, was a matter reserved to the full Council, it be agreed that full Council be recommended to approve the reduction of all Special Responsibility Allowances payable under the Members' Allowances Scheme by 5% with effect from 1 August 2010.

### 10.3 Petitions Scheme (CAB 016/101)

Ms Freeman, Assistant Chief Executive – Legal Services, at the request of the Chair, in introducing the report:

- Summarised the key points contained therein, highlighting in particular:
  - That the statutory duty on authorities to respond to petitions was effective from 15 June 2010, and each authority was required to adopt and publish a 'petition scheme' informing local people how to submit petitions and how the authority would respond. The draft Petition Scheme attached to the report would therefore be recommended for adoption at the meeting of the full Council, to be held on 14 July 2010.
  - Provisions were now required for a petition exceeding a stated number of signatures to either trigger a debate at a meeting of the full Council or require a senior Officer to appear before the Authority's Overview and Scrutiny Committee (OSC) to give evidence and answer questions on the matters raised in the petition. Also a provision for right of review by the OSC if the petition organiser did not consider the Authority's response to be adequate.
  - The maximum signature threshold permitted was 5% of the borough population, 10,000 in Tower Hamlets, but those recommended of 2000 for a Council debate and 1500 for an Officer to appear at OSC were consistent with the Government model of 1%.
  - Matters relating to verification of signatures were set out at paragraph 8.3. It was important to note that it was not now permissible to stipulate that signatories are on the Electoral Register as those under 18 must be able to participate in petitioning.
- Addressed the matters raised by the Overview and Scrutiny Committee, held on 6<sup>th</sup> July 2010, in relation to the report; as set out in the tabled sheet of questions and comments presented by the Chair of the Overview and Scrutiny Committee earlier in the proceedings:

A discussion followed which focused on the following points:-

- Consideration that the Petition Scheme should provide for petitions to trigger the giving of evidence to the OSC by the Lead Member within whose portfolio the issue raised by the petition fell/ and for which he/ she was accountable, rather than an appropriate Senior Officer. Although it might be helpful for the appropriate Senior Officer to also

attend the meeting to respond on matters of detail. Accordingly Councillor Francis, Lead Member Housing Heritage and Planning proposed that appropriate constitutional amendments be made to effect this.

- Ms Freeman, Assistant Chief Executive – Legal Services, advised that the requirement in the Act [Local Democracy, Economic Development & Construction Act 2009] referred specifically to attendance by the relevant Chief/Senior Officer to answer questions and give evidence to the OSC. However the draft Petition Scheme appended to the report could be amended to provide for the OSC to also require the appropriate Lead Member to accompany the Chief/Senior Officer in each case.
- Councillor Jackson, Chair of the Overview and Scrutiny Committee, speaking with Cabinet consent:
  - Welcomed the response to the pre scrutiny question that: “There may be occasions where two or more petitions which are substantially the same are received from different organisers or parts of the borough and where although each individual petition may contain fewer signatures than the threshold, the combined total would exceed that number. In those circumstances the Cabinet might wish to recommend the inclusion of a provision enabling the officers to aggregate the petitions to trigger a debate if that is the wish of the petition organisers.” Councillor Jackson recalled a recent instance where a series of separate petitions was received from across the borough in relation to car-free zones. The Assistant Chief Executive – Legal Services confirmed that the draft Petition Scheme could be amended to allow, subject to certain safeguards, for the aggregation of substantially similar petitions to meet the threshold trigger.
  - Acknowledged the underlying rationale given in relation to triggering a debate at the full Council meeting that “There must be evidence that an issue is of genuine concern to a significant number of residents in the borough before a substantial amount of full Council time is allocated to it. The proposed threshold (2000 signatures) has been set with this in mind and indeed is proportionate with that in the Government’s Model Scheme.” Councillor Jackson agreed that this would be an appropriate threshold for petition signatures aggregated from two or more petitions about the same issue.

The Chair **Moved** for the consideration of members of the Cabinet that:

- Recommendation 2.1, as set out in the report be agreed.
- In relation to recommendation 2.2 “the draft petition scheme attached to the report and in particular the proposed thresholds for the number of signatures required to trigger a Council meeting debate or attendance by a senior officer at the Overview and Scrutiny Committee be noted.”
- That the comments/ suggestions made by Members be provided to all members of the Council prior to full Council consideration of adoption of the draft petition scheme.

And it was:-

**Resolved**

1. That the duty to respond to petitions included in the Local Democracy, Economic Development & Construction Act 2009 and the consequent requirement on the Authority to agree a Petition Scheme at the next Council Meeting, to be held on 14 July 2010, be noted;
2. That the draft petition scheme set out at Appendix 'C' to the report (CAB 013/101), and in particular the proposed thresholds for the number of signatures required to trigger a Council meeting debate or attendance by a senior officer at the Overview and Scrutiny Committee, be noted; and
3. That the comments/ suggestions made by members of the Cabinet, or other Members speaking with the consent of the Cabinet, be provided to all members of the Council prior to full Council consideration of adoption of the draft petition scheme.

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

The Clerk advised that there were no business to be considered under this section of the agenda.

**12. UNRESTRICTED REPORTS FOR INFORMATION**

The Clerk advised that there were no business to be considered under this section of the agenda.

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

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

**Resolved:**

That pursuant to regulation 21(1)(b) of the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000, the press and public be excluded from the remainder of the meeting:

- (a) As it was likely, in view of the nature of the business to be transacted in Section Two of the agenda, that if members of the public were present during consideration of this business there would be disclosure of exempt information.
  - Exempt information is defined in section 100I and, by reference, Schedule 12A of the Local Government Act 1972 ("the 1972 Act"). To be exempt, information must fall within one of the categories listed in paragraphs 1 to 7 of Schedule 12A, must not fall within one of the excluded categories in paragraphs 8 and 9 and the public interest in maintaining the exemption must outweigh the public interest in disclosing the information.

- Agenda item 14. "Exempt/ Confidential Minutes" (of the meeting of the Cabinet held on 9<sup>th</sup> June 2010) contained information
  - Relating to any individual.
  - The financial or business affairs of any particular person (including the authority holding that information).
  - Any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.
  
- (b) As although there is a public interest favouring public access to local authority meetings, in this case the Cabinet concluded that given the information contained in:
  - Agenda Item 14. "Exempt/ Confidential Minutes" (of the meeting of the Cabinet held on 9<sup>th</sup> June 2010) relating to
    - any individual.
    - The financial or business affairs of any particular person (including the authority holding that information).
    - Any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.
 that the public interest in maintaining the exemption on the information outweighed the public interest in disclosing it.

### **SUMMARY OF EXEMPT PROCEEDINGS**

#### **14. EXEMPT / CONFIDENTIAL MINUTES**

Minutes of the Cabinet meeting held on 9<sup>th</sup> June 2010 agreed.

#### **15. OVERVIEW & SCRUTINY COMMITTEE**

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

Nil items.

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

Nil items.

#### **16. A GREAT PLACE TO LIVE**

Nil items.

**17. A PROSPEROUS COMMUNITY**

Nil items.

**18. A SAFE AND SUPPORTIVE COMMUNITY**

Nil items.

**19. A HEALTHY COMMUNITY**

Nil items.

**20. ONE TOWER HAMLETS**

Nil items.

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

Nil Items.

**22. EXEMPT / CONFIDENTIAL REPORTS FOR INFORMATION**

Nil Items.

The meeting ended at 7.35 p.m.

Chair, Councillor Helal Abbas  
Cabinet