



Meeting of the

Tower Hamlets Council

Supplemental Agenda – Tabled Papers

Wednesday, 8 May 2024 at 7.00 p.m.

VENUE

Council Chamber,
Whitechapel Town Hall
160 Whitechapel Road,
London E1 1BJ

Further information about this meeting is available in the main agenda.

Democratic Services Contact:

Matthew Mannion, Head of Democratic Services

Tel: 020 7364 4651, E-mail: matthew.mannion@towerhamlets.gov.uk



London Borough of Tower Hamlets

Council



Supplemental Agenda

Wednesday, 8 May 2024

7.00 p.m.

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| 7. | ADMINISTRATION MOTION DEBATE
To debate a Motion submitted by the Administration in accordance with Rules 11 and 13 of the Council's Constitution. The debate will last for a maximum of 30 minutes. | 3 - 10 |
| 8. | OPPOSITION MOTION DEBATE
To debate a Motion submitted by the Opposition Group in accordance with Rules 11 and 13 of the Council's Constitution. The debate will last for a maximum of 30 minutes. | 11 - 18 |



Agenda Item 7

Non-Executive Report of the: COUNCIL 8 th May 2024	 TOWER HAMLETS
Report of: Linda Walker, Interim Director of Legal and Monitoring Officer	Classification: Unrestricted
Motion for debate submitted by the Administration	

Originating Officer(s)	Matthew Mannion, Head of Democratic Services
Wards affected	All wards

SUMMARY

1. Council Procedure Rule 11 allows for time at each Ordinary Council meeting for the discussion of one specific Motion submitted by the Administration. The debate will follow the rules of debate at Council Procedure Rule 13 and will last no more than 30 minutes.
2. The motion submitted is listed overleaf. The Administration Motion is submitted by the Aspire Group.
3. Motions must be about matters for which the Council or its partners has a direct responsibility. A motion may not be moved which is substantially the same as a motion which has been put at a meeting of the Council in the previous six months; or which proposes that a decision of the Council taken in the previous six months be rescinded; unless notice of the motion is given signed by at least twenty Members.
4. Notice of any proposed amendments to the Motions must be given to the Monitoring Officer by Noon the day before the meeting.

MOTION

Set out overleaf is the motion that has been submitted.

ADMINISTRATION MOTION FOR DEBATE – MOTION ON A PROGRESSIVE COUNCIL: TWO YEARS OF TRANSFORMATION AND RECOVERY

Proposed by: Cllr Saied Ahmed

Seconded by: Cllr Maium Talukdar

This council notes:

- That two years have passed since the re-election of Mayor Lutfur Rahman and the *Aspire* group.
- That these two years have seen huge levels of investment – not only financially, but also of time; energy; and dedication – to ensure that the Council could begin to deliver services and governance worthy of the residents of Tower Hamlets.
- That upon returning to Office, the Mayor and his Councillors inherited a Council which was financially unstable – with six years of accounts unsigned; £20million of missed savings targets; millions of pounds lent to neighbouring authorities during the COVID-19 and cost-of-living crises; unpaid VAT receipts of over £1million over six years; £11million of unreconciled adult social care payments with significant risk or duplication; spiralling costs to complete the new Town Hall; and grants awarded through single-applicant processes. There were also governance issues – with five years of unsigned *Annual Governance Statements*; one-year budget-setting processes; struggling statutory services, reflected in failed Ofsted and Youth Justice reports; rising crime and community safety issues; and a string of interim Corporate Directors in statutory positions, including the Section 151.
- That public services significantly reduced with minimal resources expended to develop a thriving and accessible network of delivery. Instead, reserves were increased, all while the services available to residents were allowed to decline and – in some cases – disappear completely.
- That the introduction of the controversial Fire and Hire Policy by the previous Administration led to a palpable loss of staff morale, likely to be the lowest ever given the 90% support for a strike when Unison held a ballot. The introduction of inferior contracts through the *TOWER* rewards scheme contributed to a negative impact on workforce. This was reflected in a council-wide strike, involving national Trade Union leaders.
- That this was compounded by a disconnect between the Mayor’s Office and the then-Corporate Leadership Team, allowing a ‘two-council culture’ to develop, hindering service delivery and strategic clarity in the process.
- That at the earliest possible opportunity – Full Council July 2022 – this administration called for a ‘Council-wide’ audit to identify the failings that had been hindering delivery; good governance; and fiscal prudence over the previous seven years.

This council believes:


- That the radical measures taken by the current Administration, to reinvest in key services and clean up bad governance and financial practice across the Council, has led to a recovery and reinvigoration of service delivery and performance across the Authority.

- That, through the holistic transformation of how the Council sets its budgets – underpinned by a three-year MTFS strategy and regular financial health checks – residents can now access a range of services that have been funded sustainably, allowing for their sustainability and delivery into the future.
- That the reintroduction and reinvigoration of such key services as the Education Maintenance Allowance; University Bursaries; Free School Meals for all students up to the age of 16; £10million investment to support residents through the cost of living crisis; a universal freeze for all residents in the first year and as per the Aspire Manifesto a continuing freeze for the poorest to protect low and middle earners; additional investment in the Youth Service receiving nearly £11million extra a year; strengthened community safety, through the recruitment of 42 additional Tower Hamlets Enforcement Officers, enveloped funds for extra police officers and new CCTV infrastructure; reconnecting and listening to residents through the reopening of 5 residents hubs across the borough; improving residents health and wellbeing through the insourcing of the Council’s leisure services, ensuring that no resident is left behind; protecting the environment through the planting of thousands of new trees, the retrofitting of Council buildings with green technology and through the installation of over a thousand Electric Vehicle charging points, with more to come; and a revitalised and resourced Waste Service, has slowly seen the Council and borough return from years of cuts and neglect to a position of delivery and resident satisfaction.
- That this progress and ambition was identified and commended in the recent LGA Corporate Peer Review. The Council has also won awards for its Town Hall; Free School Meals service; as well as being nominated for nine other parliamentary and national awards.
- That the strides taken to redress and resolve the financial and governance issues inherited from the previous administration – facilitated by a new one-council culture where the Mayor and Corporate Management Team work together to solve issues – has ensured that the financial and operational health of the Council has been drastically improved.
- That this is reflected in a transformative and sustainable MTFS programme; a clean and audited set of accounts; up-to-date *Annual Governance Statements*; repaid outstanding VAT receipts; well-run and improved performance in key statutory services; and an ongoing council-wide restructuring to further strengthen and improve good governance and performance across the organisation.
- That the improvements made are looking to make Tower Hamlets one of the best run and ambitious Local Authorities, not only in London, but in the entire country.

This council resolves:

- To continue to support the Best Value Inspectors in their examination of the Council, and to offer to share best practice for other authorities looking to implement similar improvements.
- To continue to work with and implement the findings of the LGA Corporate Peer Review.
- To constantly undergo self-examination and evaluation, identifying ways in which it can improve while continuing to deliver for the people who matter most, the residents.

- To continue to strive for excellence across the council's services, and look beyond the next two years to the future, to ensure that such delivery can be sustained for future generations.

Non-Executive Report of the: COUNCIL 8 th May 2024	 TOWER HAMLETS
Report of: Linda Walker, Interim Director of Legal and Monitoring Officer	Classification: Unrestricted
Motion for debate submitted by the Administration	

Originating Officer(s)	Matthew Mannion, Head of Democratic Services
Wards affected	All wards

SUMMARY

1. Council Procedure Rule 11 allows for time at each Ordinary Council meeting for the discussion of one specific Motion submitted by the Administration. The debate will follow the rules of debate at Council Procedure Rule 13 and will last no more than 30 minutes.
2. The motion submitted is listed overleaf. The Administration Motion is submitted by the Aspire Group.
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MOTION

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Proposed by: Cllr Saied Ahmed

Seconded by: Cllr Maium Talukdar

This council notes:

- That two years have passed since the re-election of Mayor Lutfur Rahman and the *Aspire* group.
- That these two years have seen huge levels of investment – not only financially, but also of time; energy; and dedication – to ensure that the Council could begin to deliver services and governance worthy of the residents of Tower Hamlets.
- That upon returning to Office, the Mayor and his Councillors inherited a Council which was financially unstable – with six years of accounts unsigned; £20million of missed savings targets; millions of pounds lent to neighbouring authorities during the COVID-19 and cost-of-living crises; unpaid VAT receipts of over £1million over six years; £11million of unreconciled adult social care payments with significant risk or duplication; spiralling costs to complete the new Town Hall; and grants awarded through single-applicant processes. There were also governance issues – with five years of unsigned *Annual Governance Statements*; one-year budget-setting processes; struggling statutory services, reflected in failed Ofsted and Youth Justice reports; rising crime and community safety issues; and a string of interim Corporate Directors in statutory positions, including the Section 151.
- That public services significantly reduced with minimal resources expended to develop a thriving and accessible network of delivery. Instead, reserves were increased, all while the services available to residents were allowed to decline and – in some cases – disappear completely.
- That the introduction of the controversial Fire and Hire Policy by the previous Administration led to a palpable loss of staff morale, likely to be the lowest ever given the 90% support for a strike when Unison held a ballot. The introduction of inferior contracts through the *TOWER* rewards scheme contributed to a negative impact on workforce. This was reflected in a council-wide strike, involving national Trade Union leaders.
- That this was compounded in our view by a disconnect between the Mayor's Office and the then-Corporate Leadership Team, allowing a 'two-council culture' to develop, hindering service delivery and strategic clarity in the process.
- That at the earliest possible opportunity – Full Council July 2022 – this administration called for a 'Council-wide' audit to identify the failings that had been hindering delivery; good governance; and fiscal prudence over the previous seven years.

This council believes:

- That the radical measures taken by the current Administration, to reinvest in key services and clean up bad governance and financial practice across the Council, has led to a recovery and reinvigoration of service delivery and performance across the Authority.


- That, through the holistic transformation of how the Council sets its budgets – underpinned by a three-year MTFS strategy and regular financial health checks – residents can now access a range of services that have been funded sustainably, allowing for their sustainability and delivery into the future.
- That the reintroduction and reinvigoration of such key services as the Education Maintenance Allowance; University Bursaries; Free School Meals for all students up to the age of 16; £10million investment to support residents through the cost of living crisis; a universal freeze for all residents in the first year and as per the Aspire Manifesto a continuing freeze for the poorest to protect low and middle earners; additional investment in the Youth Service receiving nearly £11million extra a year; strengthened community safety, through the recruitment of 42 additional Tower Hamlets Enforcement Officers, enveloped funds for extra police officers and new CCTV infrastructure; reconnecting and listening to residents through the reopening of 5 residents hubs across the borough; improving residents health and wellbeing through the insourcing of the Council’s leisure services, ensuring that no resident is left behind; protecting the environment through the planting of thousands of new trees, the retrofitting of Council buildings with green technology and through the installation of over a thousand Electric Vehicle charging points, with more to come; and a revitalised and resourced Waste Service, has slowly seen the Council and borough return from years of cuts and neglect to a position of delivery and resident satisfaction.
- That this progress and ambition was identified and commended in the recent LGA Corporate Peer Review. The Council has also won awards for its Town Hall; Free School Meals service; as well as being nominated for nine other parliamentary and national awards.
- That the strides taken to redress and resolve the financial and governance issues inherited from the previous administration – facilitated by a new one-council culture where the Mayor and Corporate Management Team work together to solve issues – has ensured that the financial and operational health of the Council has been drastically improved.
- That this is reflected in a transformative and sustainable MTFS programme; a clean and audited set of accounts; up-to-date *Annual Governance Statements*; repaid outstanding VAT receipts; well-run and improved performance in key statutory services; and an ongoing council-wide restructuring to further strengthen and improve good governance and performance across the organisation.
- That the improvements made are looking to make Tower Hamlets one of the best run and ambitious Local Authorities, not only in London, but in the entire country.

This council resolves:

- To continue to support the Best Value Inspectors in their examination of the Council, and to offer to share best practice for other authorities looking to implement similar improvements.
- To continue to work with and implement the findings of the LGA Corporate Peer Review.
- To constantly undergo self-examination and evaluation, identifying ways in which it can improve while continuing to deliver for the people who matter most, the residents.

- To continue to strive for excellence across the council's services, and look beyond the next two years to the future, to ensure that such delivery can be sustained for future generations.

Agenda Item 8

Non-Executive Report of the: COUNCIL 8 th May 2024	 TOWER HAMLETS
Report of: Linda Walker, Interim Director of Legal and Monitoring Officer	Classification: Unrestricted
Motion for debate submitted by an Opposition Group	

Originating Officer(s)	Matthew Mannion, Head of Democratic Services
Wards affected	All wards

SUMMARY

1. Council Procedure Rule 11 allows for time at each Ordinary Council meeting for the discussion of one Motion submitted by an Opposition Group. The debate will follow the rules of debate at Council Procedure Rule 13 and will last no more than 30 minutes.
2. The motion submitted is listed overleaf. In accordance with Council Procedure Rule 11, submission of the Opposition Motion for Debate will alternate in sequence between the opposition groups. This Opposition Motion is submitted by the Labour Group.
3. Motions must be about matters for which the Council or its partners has a direct responsibility. A motion may not be moved which is substantially the same as a motion which has been put at a meeting of the Council in the previous six months; or which proposes that a decision of the Council taken in the previous six months be rescinded; unless notice of the motion is given signed by at least twenty Members.
4. Notice of any proposed amendments to the Motions must be given to the Monitoring Officer by Noon the day before the meeting.

MOTION

Set out overleaf is the motion that has been submitted.

OPPOSITION MOTION FOR DEBATE – BEST VALUE INSPECTIONS

Proposed by: Cllr Marc Francis

Seconded by: Cllr Sirajul Islam

This Council notes:

- April 2024 marks the 10th anniversary of the Government’s decision to instruct PwC to undertake a ‘best value inspection’ of Tower Hamlets Council during Lutfur Rahman’s first term as Executive Mayor;
- Despite opposition from Mayor Lutfur Rahman and Tower Hamlets Council corporately to this audit, PwC concluded that Tower Hamlets Council was failing to comply with its best value duty which the government considered amounted to serious irregularity in the allocation of some grants and the disposal of some council-owned assets, as well as noting the allegations of possible fraudulent payments in the Youth Services Team that were subject to a separate police investigation;
- As a result of these findings, in December 2014, the former Secretary of State issued directions for independent Commissioners to be sent into Tower Hamlets Council to oversee the award of grants, the sale of assets, publicity and subsequently further directions were issued requiring the appointment of a permanent Chief Executive.
- In April 2015, following Mayor Lutfur Rahman’s removal from office, the former Secretary of State issued further directions which gave the independent Commissioners the powers ‘to ensure that there is effective financial management safeguarding the assets and financial integrity of the Authority’ which amounted to the power to intervene in all significant financial transactions by the authority.
- Independent Commissioners finally ended their role in 2018 after Tower Hamlets Council under former Mayor John Biggs’ leadership demonstrated significant progress in all the areas in which concerns had been raised by PwC and the Secretary of State;
- Mayor Lutfur Rahman and Tower Hamlets First / Aspire Councillors have never publicly apologised to the people of Tower Hamlets for the issues revealed by the PwC audit;
- In December 2023 a local government peer review report identified some positives about Tower Hamlets Council since Lutfur Rahman’s re-election as Executive Mayor, and whilst noting that considerable staff churn at senior managerial level is not uncommon following a change of political and managerial leadership it was important the council now reaches a more settled state. It also highlighted concerns about the lack of women’s voices in decision making and referenced a ‘Two Council Culture’ that impacted on the speed of decision making.
- As the LGA stated “Fuelling the two-council culture is an evident lack of trust from some members and officers (although it should be noted that this is not at front line level). This, if not addressed, could undermine the further delivery of the Mayor’s

priorities as well as impacting on the effective operation of a number of the council's business-as-usual functions. This mistrust between members and officers, whilst it is not uniform, is problematic and all involved need to communicate in a more open and collaborative fashion with clear and established pathways for decision making."

- In December 2023, Tower Hamlets Council published an 'action plan' in response to the LGA Peer Review Team's concerns without having spoken to opposition councillors about its content, and which will not properly address concerns about governance raised;
- At a Cabinet meeting in January 2024, the Mayor claimed that the LGA Peer Review Team's criticisms were actually about the governing culture under former Mayor John Biggs, which wasn't the case;
- On 22nd February 2024, the Minister of State for Local Government announced that he was instructing an independent team led by former Chief Executive of Newham Council Kim Bromley-Derry CBE DL to undertake a further 'best value inspection' of Tower Hamlets Council with immediate effect, including of it leadership, governance, organisational culture and use of resources;
- The inspection team has been specifically asked the look at the strengths and weaknesses of the audit and scrutiny functions, the appointment to senior management posts; the expansion of the Mayor's Office and use of advisors; policy and practice in grant-making and *"the use of resources for elections and the maintenance of the independence of the Returning Officer"*.

This Council believes;

- It should be a concern for Mayor Lutfur Rahman and the 24 Aspire Party councillors that the manner in which they lead Tower Hamlets Council means it is again subject to an independent 'best value inspection' under their political leadership;
- There is now a serious risk that the Secretary of State will again decide to send Commissioners in to oversee spending, sales of assets, governance and the forthcoming elections, including the General Election and the 2026 local elections;
- Having Commissioners run Tower Hamlets Council again is not in the interest of our residents as it takes decision-making out of the hands of democratically-elected members;
- The person best placed to stop Commissioners being sent in is Mayor Lutfur Rahman, through making a fundamental change in the manner in which he leads Tower Hamlets Council.

This Council resolves:

- To call on Mayor Lutfur Rahman to reduce the number of advisors and consultants in the Mayor's Office and remove any media/communications staff from its line-management;
- To call on the Chief Executive to consult with opposition councillors on the actions needed to give confidence to the public that there will be a significant enhancement of the scrutiny and audit functions, including acting on the LGA Peer Review Team's recommendation that the Audit Committee and Overview & Scrutiny Committee should be chaired by Opposition councillors;
- To call on Mayor Lutfur Rahman and the Chief Executive to fully and immediately comply with any requests for information from the 'best value inspection' team;
- To call on the Monitoring Officer to ensure there is full transparency in political decision-making, including by providing elected members with the legal advice obtained at the request of Mayor Lutfur Rahman in relation to his powers in 2022 and 2023;
- To call on the Chief Executive to commence an open and independent process for making appointments to the Women's Commission which is being established to address the absence of female voices in decision-making by Mayor Lutfur Rahman and his Cabinet.

OPPOSITION MOTION FOR DEBATE – BEST VALUE INSPECTIONS

Aspire Group Amendment

Proposed by: Cllr

Seconded by: Cllr

Additions Underlined

Deletions ~~Struckthrough~~

This Council notes:

- April 2024 marks the 10th anniversary of the Government's decision to instruct PwC to undertake a 'best value inspection' of Tower Hamlets Council during Lutfur Rahman's first term as Executive Mayor;
- Despite opposition from Mayor Lutfur Rahman and Tower Hamlets Council corporately to this audit, PwC concluded that Tower Hamlets Council was failing to comply with its best value duty which the government considered amounted to serious irregularity in the allocation of some grants and the disposal of some council-owned assets, as well as noting the allegations of possible fraudulent payments in the Youth Services Team that were subject to a separate police investigation; The police found no case to answer.
- As a result of these findings, in December 2014, the former Secretary of State issued directions for independent Commissioners to be sent into Tower Hamlets Council to oversee the award of grants, the sale of assets, publicity and subsequently further directions were issued requiring the appointment of a permanent Chief Executive.
- In April 2015, following Mayor Lutfur Rahman's removal from office, the former Secretary of State issued further directions which gave the independent Commissioners the powers 'to ensure that there is effective financial management safeguarding the assets and financial integrity of the Authority' which amounted to the power to intervene in all significant financial transactions by the authority.
- Independent Commissioners finally ended their role in 2018 after Tower Hamlets Council we believe that under former Mayor John Biggs' leadership demonstrated significant progress in all the areas in which concerns had been raised by PwC and the Secretary of State; yet it was discovered in 2022, that there were still many significant and easily identifiable issues in these areas, including six years of unsigned Council accounts and five years of unpublished annual governance statements.
- Mayor Lutfur Rahman and Tower Hamlets First / Aspire Councillors have never publicly apologised to the people of Tower Hamlets for the issues revealed by the PwC audit;
- In December 2023 a local government peer review report identified some positives about Tower Hamlets Council since Lutfur Rahman's re-election as Executive Mayor, and whilst noting that considerable staff churn at senior managerial level is not uncommon following a change of political and managerial leadership it was

important the council now reaches a more settled state. It also highlighted concerns about the lack of women's voices in decision making and referenced a 'Two Council Culture' that impacted on the speed of decision making.

- As the LGA stated "Fuelling the two-council culture is an evident lack of trust from some members and officers (although it should be noted that this is not at front line level). This, if not addressed, could undermine the further delivery of the Mayor's priorities as well as impacting on the effective operation of a number of the council's business-as-usual functions. This mistrust between members and officers, whilst it is not uniform, is problematic and all involved need to communicate in a more open and collaborative fashion with clear and established pathways for decision making."
- In December 2023, Tower Hamlets Council published an 'action plan' in response to the LGA Peer Review Team's concerns without having spoken to opposition councillors about its content, and which will not properly address concerns about governance raised; which we believe wasn't the case
- At a Cabinet meeting in January 2024, the Mayor claimed that the LGA Peer Review Team's criticisms were actually about the governing culture under former Mayor John Biggs, which wasn't the case;
- On 22nd February 2024, the Minister of State for Local Government announced that he was instructing an independent team led by former Chief Executive of Newham Council Kim Bromley-Derry CBE DL to undertake a further 'best value inspection' of Tower Hamlets Council with immediate effect, including of it leadership, governance, organisational culture and use of resources;
- The inspection team has been specifically asked the look at the strengths and weaknesses of the audit and scrutiny functions, the appointment to senior management posts; the expansion of the Mayor's Office and use of advisors; policy and practice in grant-making and "*the use of resources for elections and the maintenance of the independence of the Returning Officer*".

This Council believes;

- It should be a concern for Mayor Lutfur Rahman and the 24 Aspire Party councillors that the manner in which they lead Tower Hamlets Council means it is again subject to an independent 'best value inspection' under their political leadership; despite significant, demonstrable improvements in the Council's finances, governance, and performance, including the signing off of these outstanding six years of accounts, and the publication of all five outstanding annual governance statements.
- There is now a serious risk that the Secretary of State will again decide to send Commissioners in to oversee spending, sales of assets, governance and the forthcoming elections, including the General Election and the 2026 local elections;

- Having Commissioners run Tower Hamlets Council again is not in the interest of our residents as it takes decision-making out of the hands of democratically-elected members;
- The person best placed to stop Commissioners being sent in is Mayor Lutfur Rahman, through making a fundamental change in the manner in which he leads Tower Hamlets Council.

This Council resolves:

- To call on Mayor Lutfur Rahman to reduce the number of advisors and consultants in the Mayor's Office and remove any media/communications staff from its line-management;
- To call on the Chief Executive to consult with opposition councillors on the actions needed to give confidence to the public that there will be a significant enhancement of the scrutiny and audit functions, including acting on the LGA Peer Review Team's recommendation that the Audit Committee and Overview & Scrutiny Committee should be chaired by Opposition councillors;
- To call on Mayor Lutfur Rahman and the Chief Executive to continue to fully and immediately comply with any requests for information from the 'best value inspection' team;
- To call on the Monitoring Officer to ensure there is full transparency in political decision-making, including by providing elected members with the legal advice obtained at the request of Mayor Lutfur Rahman in relation to his powers in 2022 and 2023;
- To call on the Chief Executive to continue with ~~commence~~ an open and independent process for making appointments to the Women's Commission which is being established to address the absence of female voices in decision-making by Mayor Lutfur Rahman and his Cabinet.

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