

LONDON BOROUGH OF TOWER HAMLETS

RECORD OF THE DECISIONS OF THE CABINET

HELD AT 5.35 P.M. ON WEDNESDAY, 8 JANUARY 2020

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

Members Present:

Mayor John Biggs	
Councillor Sirajul Islam	(Statutory Deputy Mayor and Cabinet Member for Housing)
Councillor Rachel Blake	(Deputy Mayor and Cabinet Member for Planning, Air Quality and Tackling Poverty)
Councillor Asma Begum	(Deputy Mayor and Cabinet Member for Community Safety and Equalities)
Councillor Sabina Akhtar	(Cabinet Member for Culture, Arts and Brexit)
Councillor Danny Hassell	(Cabinet Member for Children, Schools and Young People)
Councillor Candida Ronald	(Cabinet Member for Resources and the Voluntary Sector)
Councillor Motin Uz-Zaman	(Cabinet Member for Work and Economic Growth)

Other Councillors Present:

Councillor James King	
Councillor Dan Tomlinson	
Councillor Andrew Wood	(Leader of the Conservative Group)

Officers Present:

Allister Bannin	(Head of Strategic and Corporate Finance)
Kevin Bartle	(Interim Divisional Director of Finance, Procurement and Audit)
Adam Boey	(Senior Strategy & Policy Manager - Corporate)
Stephen Bramah	(Deputy Head of the Mayor's office)
Michael Diop	(Communications Officer)
Asmat Hussain	(Corporate Director, Governance and Monitoring Officer)
Christine McInnes	(Divisional Director, Education and Partnership, Children's)
Denise Radley	(Corporate Director, Health, Adults & Community)
Ann Sutcliffe	(Corporate Director, Place)
Will Tuckley	(Chief Executive)
Neville Murton	(Corporate Director, Resources)
Matthew Mannion	(Head of Democratic Services, Governance)

1. APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of:

- Councillor Amina Ali, Cabinet Member for Adults, Health and Wellbeing
- Councillor David Edgar, Cabinet Member for Environment
- Debbie Jones, Corporate Director, Children and Culture for whom Christine McInnes, Divisional Director, Education and Partnerships was deputising.

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS

There were no Declarations of Disclosable Pecuniary Interest.

3. UNRESTRICTED MINUTES

DECISION

1. That the unrestricted minutes of the Cabinet meeting held on Wednesday 18 December 2019 be approved and signed by the Chair as a correct record of proceedings.

4. ANNOUNCEMENTS (IF ANY) FROM THE MAYOR

There were no announcements.

5. OVERVIEW & SCRUTINY COMMITTEE

5.1 Chair's Advice of Key Issues or Questions

Nil items.

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

Nil items.

6. UNRESTRICTED REPORTS FOR CONSIDERATION

6.1 Mayor's Foreword to the Council's Budget Report

DECISION

1. To note the Mayor's Foreword to the Council's Budget.

Reasons for the decision

This is a noting report.

Alternative options

This is a noting report.

6.2 The Council's 2020-21 Budget Report and Medium Term Financial Strategy 2020-23

DECISION

1. To propose a draft General Fund Revenue Funding Requirement of £352.846m subject to any changes arising from the technical consultation and the final Local Government Finance Settlement.
2. To propose a Band D Council Tax of £1,060.35 for 2020-21 to be referred to Full Council for consideration.
3. To agree the proposal of an average housing rent increase of 2.7% based on the September 2019 Consumer Price Index plus 1% to take effect from the first rent week of April 2020. This equates to an average rent increase of £2.94 per week for 2020-21.
4. To agree the proposal that the average weekly housing tenanted service charge will increase by 2.7% from the first rent week in April 2020. This is consistent with the new Social Housing rent standard rent policy and will lead to an average weekly increase in tenanted service charges of approximately £0.23.
5. To agree the proposal that the Local Council Tax Reduction Scheme be recommended to Council for consideration, recommending that Council agrees no changes to the current Local Council Tax Reduction Scheme for 2020-21.
6. To note the following:

The General Fund revenue budget for 2020-21 and Medium Term Financial Strategy 2020-21 to 2022-23

The initial budget proposals and Council Tax for 2020-21 together with the Medium Term Financial Strategy set out in Appendix 1

Budget Consultation

The outcome of consultation with business ratepayers, residents and other stakeholders as set out in Section 3.13 and Appendix 6

Funding

The funding available for 2020-21 and the indications and forecasts for future years as set out in Section 3.4.

Growth and Inflation

The risks identified from the potential growth and inflation commitments arising in 2020-21 and future years as set out in Section 3.5 & Appendix 3.

Savings

New proposed saving items to be delivered in 2020-23 as set out in Section 3.6 and Appendix 4 of the report.

Financial Risks: Reserves and Contingencies

The strategic budget risks and opportunities as set out in Section 3.7.

Reserves

The reserves policy and proposed approach to the strategic use of reserves as set out in Section 3.8.

Schools Funding

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

Housing Revenue Account

The proposals for Housing Rent and Tenanted Service Charge Setting 2020-21 are set out in Section 3.10.

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

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

(Divisional Director, Finance, Procurement and Audit (K. Bartle))

Reasons for the decision

The Council is under an obligation to set a balanced and sustainable budget and to set the Council Tax Levels for the financial year 2020-21 by 9th March 2020 at the latest. The Council's Chief Financial (S151) Officer must confirm the robustness of the estimates applied and the adequacy of the Council's reserves as part of the budget setting report to the Council.

The setting of the budget is a decision reserved for Full Council. The Council's Budget and Policy Framework requires that a draft budget is issued for consultation with the Overview & Scrutiny Committee to allow for their comments to be considered before the final budget proposals are made to Full Council.

The announcements and consultations made about Government funding for the Council in the Chancellor's Spending Round and the technical consultation on the 2020-21 Local Government Finance Settlement require a robust and timely response to enable a balanced budget to be set.

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

As the Council develops its detailed proposals it must continue to keep under review those key financial assumptions which underpin the Council's MTFS; in particular as the Council becomes ever more dependent on locally raised

sources of income through the Council Tax and retained business rates these elements become fundamental elements of its approach and strategies.

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

In accordance with Financial Regulations, capital schemes must be included within the Council's capital programme, and capital estimates adopted prior to any expenditure being incurred. The three year Capital Programme 2020-23 will be included in the Cabinet report on 29 January 2020.

Alternative options

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

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

6.3 Fees & Charges 2020-21

DECISION

1. To approve the proposed increase to discretionary fees and charges by a minimum of CPI (1.7%) or RPI (2.6%) rounded up to the nearest 5p, 10p etc., with effect from 1st April 2020
2. To approve proposed increases above CPI 1.7% for the following areas;
 - Arts and Music
 - Parental Engagement and Support
 - Sports & Physical Activity
 - Parking
 - Street Trading
 - Environmental Commercial Services
 - Strategic Planning - CADAP
 - Development Management - Pre-application advice
 - Registration of Births, Deaths & Marriages - Marriage & Civil Partnership

- Idea Stores Learning - Skills Funding Agency contract: non-accredited ESOL courses funded through Adult Community Learning grant
3. To approve New Charges proposed in the following areas;
- Sports & Physical Activity
 - Environmental Commercial Services - HMO Licensing and Animal Welfare
 - Strategic Planning - New Tower Hamlets Local Plan
 - Development Management - Planning Performance Agreement (PPA)
 - Academies - charges for conversions
4. To note the detailed list of proposed changes within
- Health, Adults & Community** as set out in Section 3.2 and **Appendix 1** to the report.
- Children & Culture** as set out in Section 3.3 and **Appendix 2** to the report.
- Place** as set out in Section 3.4 and **Appendix 3** to the report.
- Governance** as set out in Section 3.5 and **Appendix 4** to the report.
- Resources** as set out in Section 3.6 and **Appendix 5** to the report.
5. To note the revised Statutory fees and charges as set out in Appendix 6 to the report with effect from 1st April 2020.

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

(Divisional Director, Finance, Procurement and Audit (K. Bartle))

Reasons for the decision

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

Alternative options

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

6.4 Calculation of Council Tax Base 2020-21**DECISION**

1. To approve, in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 2012, that the amount calculated by the London Borough of Tower Hamlets as its Council Tax Base for the year 2020-21 shall be 102,266.

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

(Divisional Director, Finance, Procurement and Audit (K. Bartle))

Reasons for the decision

The scheme for calculation of council tax established under the Local Government Finance Act 1992 requires local authorities to agree their Council Tax Base and to notify it to the preceptors (primarily the Greater London Authority (GLA)) by 31st January 2020.

If the tax base is not agreed and notified to the Preceptors by 31st January 2020, this may prejudice the calculation of Council Tax and other relevant charges based on the tax base for 2020-21.

Alternative options

The recommendations contained within this report are made in line with the statutory requirements outlined in sections 1.1 and 1.2 of this report; therefore the Cabinet is not presented with alternative options for setting its Council Tax Base.

7. ANY OTHER UNRESTRICTED BUSINESS CONSIDERED TO BE URGENT

Nil items.

8. EXCLUSION OF THE PRESS AND PUBLIC

Nil items.

9. EXEMPT / CONFIDENTIAL MINUTES

Nil items.

10. OVERVIEW & SCRUTINY COMMITTEE**10.1 Chair's Advice of Key Issues or Questions in Relation to Exempt / Confidential Business**

Nil items.

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

Nil items.

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

Nil items.

The meeting ended at 6.38 p.m.

Mayor John Biggs