

LONDON BOROUGH OF TOWER HAMLETS

RECORD OF THE DECISIONS OF THE CABINET

HELD AT 5.33 P.M. ON WEDNESDAY, 27 JANUARY 2021

ONLINE 'VIRTUAL' MEETING - [HTTPS://TOWERHAMLETS.PUBLIC-I.TV/CORE/PORTAL/HOME](https://towerhamlets.public-i.tv/core/portal/home)**Members Present:**

| | |
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| Mayor John Biggs | |
| Councillor Rachel Blake | (Deputy Mayor and Cabinet Member for Adults, Health and Wellbeing) |
| Councillor Asma Begum | (Deputy Mayor and Cabinet Member for Children, Youth Services and Education) |
| Councillor Sabina Akhtar | (Cabinet Member for Culture, Arts and Brexit) |
| Councillor Danny Hassell | (Cabinet Member for Housing) |
| Councillor Candida Ronald | (Cabinet Member for Resources and the Voluntary Sector) |
| Councillor Motin Uz-Zaman | (Cabinet Member for Work and Economic Growth) |
| Councillor Mufeedah Bustin | Cabinet Member for Planning and Social Inclusion (Job Share) - Lead on Social Inclusion |
| Councillor Asma Islam | Cabinet Member for Environment and Public Realm (Job Share) - Lead on Environment |
| Councillor Eve McQuillan | Cabinet Member for Planning and Social Inclusion (Job Share) - Lead on Planning |

Other Councillors Present:

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|------------------------|------------------------------------|
| Councillor Peter Golds | (Leader of the Conservative Group) |
| Councillor James King | |

Officers Present:

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| Jane Abraham | (Housing Project Manager) |
| Zamil Ahmed | (Head of Procurement) |
| Allister Bannin | (Head of Strategic and Corporate Finance) |
| Kevin Bartle | (Interim Corporate Director, Resources) |
| Adam Boey | (Senior Strategy & Policy Manager - Corporate) |
| Stephen Bramah | (Deputy Head of the Mayor's office) |
| David Courcoux | (Head of the Mayor's Office) |
| Janet Fasan | (Divisional Director, Legal, Governance) |
| Sharon Godman | (Divisional Director, Strategy, Policy and Performance) |
| Tracey St Hill | (Principal RSL Partnerships Officer) |
| Marion Kelly | (Finance Improvement Team - Programme Director) |
| Denise Radley | (Corporate Director, Health, Adults & Community) |
| Melanie Rose | (Head of IT Office) |
| Judith St John | (Divisional Director, Sports, Leisure and Culture) |

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| Ann Sutcliffe | (Corporate Director, Place) |
| James Thomas | (Corporate Director, Children and Culture) |
| Will Tuckley | (Chief Executive) |
| Matthew Mannion | (Head of Democratic Services, Governance) |
| Patricia Attawia | (Democratic Services Team Leader, Civic & Members, Governance) |

1. APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of:

- Councillor Sirajul Islam (Statutory Deputy Mayor and Cabinet Member for Housing)
- Councillor Dan Tomlinson (Cabinet Member for Environment and Public Realm (Job Share) - Lead on Public Realm)

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS AND OTHER INTERESTS

There were no Declarations of Disclosable Pecuniary Interests.

3. UNRESTRICTED MINUTES

DECISION

1. That the unrestricted minutes of the Cabinet meeting held on Wednesday 6 January 2021 be approved and signed by the Chair as a correct record of proceedings.

4. ANNOUNCEMENTS (IF ANY) FROM THE MAYOR

See the minutes.

5. OVERVIEW & SCRUTINY COMMITTEE

5.1 Chair's Advice of Key Issues or Questions

Pre-Decision Scrutiny Questions and officer responses were tabled in relation to Agenda Items:

- 6.1 The Council's 2021-22 Budget Report and Medium Term Financial Strategy 2021-24
- 6.3 Procurement of the Leisure Management Contract

These were considered during discussion of the relevant agenda items.

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

Nil items.

6. UNRESTRICTED REPORTS FOR CONSIDERATION

6.1 The Council's 2021-22 Budget Report and Medium Term Financial Strategy 2021-24

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

It was noted that the final Overview and Scrutiny Committee (OSC) response to the draft budget would be submitted after the final OSC meeting next week and that the Executive would consider those recommendations before submitting the final budget proposals to Council for consideration.

DECISION

1. To agree to propose a General Fund Revenue Requirement of £386.141m subject to any remaining changes arising from the final Local Government Finance Settlement.
2. To agree to propose a Band D Council Tax of £113.26 (Council Share) 2021-22 to full Council for approval.
3. To agree that the Interim Corporate Director, Resources, after consultation with the Mayor and Lead Member for Resources, may make any changes required to the budget following the final settlement announcement.
4. To agree to propose the 2021-22 transfers to and from reserves as set out in paragraph 3.9.12 of the report.
5. To agree to proposal to continue the £1 million funding from the Public Health grant to the Key Stage Two extension of Free School Meals.
6. To approve the proposed £2.974m one-off increase in the Social Care Support Grant for 2021-22 is allocated in full directly as budget to the services (75% to adult social care, £2.230m, and 25% to children's social care £0.744m).
7. To approve the proposed £0.746m increase in the Homelessness Prevention Grant is allocated in full to the Place directorate to support homelessness in the borough.
8. To agree to propose the three-year General Fund Capital Programme 2021-24 as set out in Appendix 8 to the report, totalling £395.471m.
9. To approve the budget allocation for the newly listed schemes in the programme, subject to sign off through the capital governance process and agreement to proceed given by the Corporate Director of Place in consultation with the Corporate Director of Resources and that schemes funded by future capital receipts, s106 and/or CIL will not go ahead until such funds have been securely received.

10. To approve delegated authority to the Corporate Director of Place in consultation with the Corporate Director of Resources for all activities required to deliver the capital programme e.g. go out to tender, appoint consultants and contractors in accordance with the Procurement Procedures, acquire land interests, appropriate land from the General Fund to the Housing Revenue Account (HRA) for the delivery of new council homes, subject to approved budget.
11. To approve the following specific recommendations subject to the agreement of the budget Council meeting if/where required:
 - i. Approve the 2020-21 spend on IT projects, of which £7.020m to be funded from revenue reserve; and
 - ii. Approve the disposal of assets, as set out in Appendix 8F to the report, subject to sign off through the capital governance process and agreement to proceed given by the Corporate Director of Place and Corporate Director of Resources.
 - iii.
12. To approve the principle that when capital receipts are achieved in year that they replace borrowing in future years.
13. To approve the inclusion of the George Green School within the General Fund Capital Programme 2021-24 totalling £51.400m.
14. To note the development of the medium term and long-term Prioritisation and Financing Delivery Plan for Infrastructure (PFDP) identifying priorities for 2023 to 2030.
15. To agree to propose the 3-year Housing Revenue Account Capital Programme 2021-24 as set out in Appendix 8E totalling £231.095m.
16. To agree to propose the 2021-22 Housing Revenue Account budget as set out in Appendix 7 to the report.
17. To approve the 2021-22 Management Fee payable to Tower Hamlets Homes (THH) of £32.615m as set out in paragraph 3.11.11 of the report.
18. To note that under the Management Agreement between the Council and THH, THH manages delegated HRA income and expenditure budgets on behalf of the Council. In 2021-22, THH will manage delegated income budgets totalling £93.942m and delegated expenditure budgets totalling £61.311m.
19. To agree to propose the 2021-22 Dedicated Schools Budget.
20. To agree that the National Schools Funding Formula (NSFF) adopted by Tower Hamlets originally in 2019-20 continues for 2021-22. The only changes included are increases to the factor values in line with the

NSFF, the inclusion of pay and pension grant allocations and a minor change to the funding allocated to schools with split sites.

21. To agree that the Minimum Funding Guarantee (the mechanism that guarantees schools a minimum uplift in per-pupil funding) is set at 2.0%, the maximum allowed.
22. To agree that the structure of the Early Years Funding Formula remains unchanged except that the two-year-old hourly rates will increase in line with the Early Years National Funding Formula.
23. To note that the Local Council Tax Reduction Scheme will remain unchanged for 2021-22.
24. To note the Equalities Impact Assessment and specific equalities considerations as set out in Section 4 of the report.

Action by:
INTERIM CORPORATE DIRECTOR, RESOURCES (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 2021-22 by 11 March 2021 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 Review 2020, the 2021-22 Local Government Finance Settlement and the impact of the Covid-19 pandemic 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 Council Tax and retained business rates these elements become fundamental elements of its approach and strategies.

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

In accordance with Financial Regulations, capital schemes must be included within the Council's capital programme, and capital estimates adopted prior to any expenditure being incurred. This report includes the revised three year Capital Programme 2021-24 and associated capital estimates to be approved.

Alternative options

Whilst the Council will adopt a number of approaches to the identification of measures aimed at delivering its MTFS it must set a legal and balanced budget and maintain adequate reserves. The scale of the changes experienced mitigate against continuing on the basis agreed in February 2020 without a re-appraisal of both the financial and policy position.

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.

6.2 Fees and Charges 2021-22

DECISION

1. To approve the proposed changes to discretionary fees and charges as detailed in the appendices, with effect from 1st April 2021, subject to the conditions set out in Recommendation 4.
2. To approve new discretionary fees and charges as detailed in the appendices, with effect from 1st April 2021, subject to the conditions set out in Recommendation 4.
3. To note the revised statutory fees and charges as detailed in Appendix 6 to the report.
4. To note the Equalities Implications as set out in Section 4 of the report and that, where it is highlighted in section 4.5 of the report that a proposed fee or charge requires a full Equality Impact Analysis (EIA), this

EIA will be undertaken prior to the introduction of the change to the respective fee or charge.

5. To approve delegation for amendments to fees and charges, including those to take account of the result of EIAs, to the relevant Corporate Director in liaison with the Lead Member and the Mayor.

Action by:

INTERIM CORPORATE DIRECTOR, RESOURCES (K. BARTLE)

(Head of Strategic and Corporate Finance (A. Bannin))

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 represent good practice in terms of the Council's aim to provide value for money.

Alternative options

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

6.3 Procurement of the Leisure Management Contract

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

The exempt appendices were noted.

DECISION

1. To authorise the Corporate Director Children and Culture to Extend the existing leisure management contract (LMC) and the Poplar Baths leisure services contract by two years each to 2024. This extension will allow the leisure market to stabilise and give GLL additional time to repay the management fee to the Council
2. To authorise the Corporate Director Children and Culture in consultation with the Corporate Director Place to extend the leisure centre leases.
3. To note the financial information regarding the leisure portfolio in Appendix 1 to the report.
4. To authorise the Corporate Director Children and Culture to begin preparatory work for the re-procurement of the leisure management contract, including the Poplar Baths Leisure Services and that a further report be brought to Cabinet setting out the options for the procurement in due course.

5. To note that an Equalities Impact Assessment has not been completed as yet because the procurement planning has not begun at this stage.
6. To authorise the execution of any agreements necessary to give effect to the recommendations.

Action by:**CORPORATE DIRECTOR, CHILDREN AND CULTURE (J. THOMAS)**

(Divisional Director, Sport, Leisure and Culture (J. St John))

Reasons for the decision

To comply with contract standing orders, which requires cabinet approval before procurement is commenced. In addition, the re-procurement of the current leisure management contract, which will expire in 2022 is a key decision due to its value and the impact on all wards of the borough.

Alternative options

Section 2 of the report provides a table setting out the high-level options appraisal for the leisure management contract. This initial analysis has identified that an external procurement of the leisure contract offers best value to the Council and is the most effective process for re-procuring the leisure contract.

6.4 George Green's Almshouses - Transfer of RTB grant to new Charitable Incorporated Organisation**DECISION**

1. To authorise the Corporate Director Place to approve the transfer of the original grant payments to the reconstituted organisation.
2. To authorise the Corporate Director Place to instruct Legal Services to execute any legal documentation required to give effect to the purpose of this report
3. To note the specific equalities considerations as set out in Paragraph 4.1 of the report.

Action by:**CORPORATE DIRECTOR, PLACE (A. SUTCLIFFE)**

(RP Partnerships and Development Officer T. St. Hill)

Reasons for the decision

George Green's Almshouses (GGA) is a registered charity and social housing provider in Tower Hamlets. The main activity of the charity under the terms of

its governing document is the provision of housing for poor women who live in Tower Hamlets.

In 2018 GGA submitted 2 applications to the Council for the acquisition of 3x1B2P flats from Poplar HARCA for affordable rent under the Council's Local Affordable Housing Programme. Their applications were approved by the Grants Determination Sub Committee on the 4th June and 27th September respectively and they received a total of £300,600 in grant funding, underpinned by a Grant Agreement between LBTH and GGA.

The organisation is currently in the process of changing its status from a Charity to a Charitable Incorporated Organisation. They have also applied to become a registered social housing provider. The Regulator of Social Housing has informed GGA that one of the conditions of registration is that they obtain permission to transfer previous grants received from the Council from the old organisation to the new incorporated entity or enter into a new grant agreement under the same terms.

Alternative options

The Council could decide not to endorse the grant transfer. However, doing so will mean that the terms of the existing Grant Agreement will not be enforceable on the "new" organisation once GGA have completed the change of status.

It would also affect their ability to become a Registered Provider and have an adverse effect on impending loan agreements and grants required to finance additional affordable housing in the borough.

6.5 Approval of extension to existing Servelec contract and SaaS hosting arrangement

DECISION

1. To agree to waive the constitutional requirement to go out to market and utilise the extension to the existing contract with Servelec.
2. To authorise the Corporate Director, Resources to approve the execution of all necessary agreements to give effect to recommendation 1.

Action by:

INTERIM CORPORATE DIRECTOR, RESOURCES (K. BARTLE)

(Divisional Director, IT (A. Gorst)

(Divisional Director, Adult Social Care (C. Brown)

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

(Mosaic Delivery Manager (A. Cross)

Reasons for the decision

A Software Support and Maintenance Agreement is a requirement for the Council to be able to implement software upgrades, enhancements and

receive support in the form of software patches and through the Servelec Service Desk to resolve issues and software bugs.

The Project to deliver the benefits associated with the initial move to Mosaic is reliant on the support model being in place and the instances of the Mosaic database being hosted in a secure data centre. Supplier hosted Software as a Service (SaaS) is the Council's preferred hosting solution.

The value of the contract change is above the threshold for delegated decision by a Chief Officer with respect to waiver of the Procurement Procedures.

Alternative options

Seek Software Support and Maintenance Services from an alternative source - As supplier of the software and holder of intellectual property rights to that software there is no alternative option to renewing the Software Support and Maintenance Services contract with Servelec.

A change in the hosting arrangement bringing a further party into the arrangement, would create risk that the ownership of issues and problems would fragment, with consequential impact on both the staff using the system and the support delivered to service users. Under the current arrangements, full accountability for all elements from the hosted environments to software support and fault analysis and rectification falls directly to Servelec

6.6 Contracts Forward Plan 2020/21 – Quarter Three

DECISION

1. To note the contracts set out in Appendix 1 to the report.
2. Confirm that all listed contracts may proceed to contract award after tender.
3. To authorise the Divisional Director, Legal Services to execute all necessary contract documents in respect of the awards of contracts referred to at recommendation 2 above.
4. To note the procurement forward plan 2020-22 detailed in Appendix 2 to the report.

Action by:

INTERIM CORPORATE DIRECTOR, RESOURCES (K. BARTLE)

(Head of Procurement (Z. Ahmed))

Reasons for the decision

The Council's Procurement Procedures require submission of a quarterly forward plan of contracts for Cabinet consideration, and it is a requirement of the Constitution that "The contracting strategy and/or award of any contract for goods or services with an estimated value exceeding £250K, and any

contract for capital works with an estimated value exceeding £5m shall be approved by the Cabinet in accordance with the Procurement Procedures". This report fulfils these requirements for contracts to be let during and after quarter three of the current financial Year.

Alternative options

Bringing a consolidated report on contracting activity is considered the most efficient way of meeting the requirement in the Constitution, whilst providing full visibility of contracting activity; therefore no alternative proposals are being made.

6.7 Nominations to outside bodies

DECISION

1. To agree the nomination of Councillor Motin Uz-Zaman to the Bethnal Green Business Centre.

Action by:

HEAD OF MAYOR'S OFFICE (D. COURCOUX)

(Head of Democratic Services (M. Mannion)

(Democratic Services Team Leader (Committees) (J. West)

Reasons for the decision

Having representatives on outside bodies increases the Council's engagement with the local community and improves its potential to offer leadership and guidance in relation to activities taking place in the borough.

Alternative options

The Mayor could decide not to make appointments to outside bodies at all. However, this is not recommended as it would reduce the Council's opportunity to be involved in and to support good work within the community and it would also reduce the Council's leadership opportunities. There are also a number of bodies where the Council is required or expected to provide a representative.

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. EXEMPT / CONFIDENTIAL REPORTS FOR CONSIDERATION

Nil items.

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

Nil items.

The meeting ended at 7.04 p.m.

Mayor John Biggs