

LONDON BOROUGH OF TOWER HAMLETS**MINUTES OF THE CABINET****HELD AT 5.32 P.M. ON WEDNESDAY, 6 JANUARY 2021****ONLINE 'VIRTUAL' MEETING - [HTTPS://TOWERHAMLETS.PUBLIC-I.TV/CORE/PORTAL/HOME](https://towerhamlets.public-i.tv/core/portal/home)****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 Adults, Health and Wellbeing)
Councillor Asma Begum	(Deputy Mayor and Cabinet Member for Community Safety, Youth and Equalities)
Councillor Sabina Akhtar	(Cabinet Member for Culture, Arts and Brexit)
Councillor Danny Hassell	(Cabinet Member for Children and Schools)
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 Eve McQuillan	Cabinet Member for Planning and Social Inclusion (Job Share) - Lead on Planning
Councillor Dan Tomlinson	Cabinet Member for Environment and Public Realm (Job Share) - Lead on Public Realm

Other Councillors Present:

Councillor Peter Golds	(Leader of the Conservative Group)
Councillor James King	
Councillor Val Whitehead	

Apologies:

Councillor Asma Islam	Cabinet Member for Environment and Public Realm (Job Share) - Lead on Environment
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Officers Present:

Will Tuckley	(Chief Executive)
Allister Bannin	(Head of Strategic and Corporate Finance)
Kevin Bartle	(Interim Corporate Director, Resources)
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)
Afazul Hoque	(Head of Corporate Strategy & Policy)

Denise Radley	(Corporate Director, Health, Adults & Community)
Judith St John	(Divisional Director, Sports, Leisure and Culture)
Ann Sutcliffe	(Corporate Director, Place)
James Thomas	(Corporate Director, Children and Culture)
Matthew Mannion	(Head of Democratic Services, Governance)
Muhammed Uddin	(Democratic Services Officer, Civi & Members, Governance)
Joel West	(Democratic Services Team Leader (Committee))

1. APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of Councillor Asma Islam, Cabinet Member for Environment and Public Realm (Job Share) – Lead on Environment.

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS AND OTHER INTERESTS

There were no Declarations of Disclosable Pecuniary Interests.

3. UNRESTRICTED MINUTES

RESOLVED

1. That the unrestricted minutes of the Cabinet meeting held on Wednesday 16 December 2020 be approved and signed by the Chair as a correct record of proceedings.

4. ANNOUNCEMENTS (IF ANY) FROM THE MAYOR

The **Mayor** highlighted the work being done to support residents during the pandemic and the need for everyone to take care and protect themselves and those around them. He thanked everyone for their hard work and commitment to the borough and its residents.

5. OVERVIEW & SCRUTINY COMMITTEE

5.1 Chair's Advice of Key Issues or Questions

Pre-Decision Scrutiny Questions and officer responses were tabled in respect of agenda items:

- 6.3 Fees and Charges 2021-22
- 6.4 Calculation of Council Tax Base 2021-22
- 6.5 Proposal for variation to the AEG Presents: Victoria Park Commercial Concession Tender and Major Events Policy

These were considered during discussion of the relevant items.

It was also noted that Pre-Decision Scrutiny Questions had been submitted in respect of Agenda Item 6.2 (The Council's Budget Report and Medium Term

Financial Strategy 2021-24) and that these would be considered as part of Overview and Scrutiny Committee's wider review of the draft budget proposals.

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

The Mayor's Foreword to the Council's Budget Report was noted.

This item was taken with Agenda Item 6.2 (The Council's 2021-22 Budget Report and Medium-Term Financial Strategy 2021-24) and the combined minute is set out under that item.

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

This item was taken with Agenda Item 6.1 (Mayor's Foreword to the Council's Budget Report) and the combined minute is presented here.

The **Mayor** introduced the Administration's draft budget proposals and his own foreword to that pack. He explained that the budget would be submitted to the Overview and Scrutiny Committee for review before returning to Cabinet who would formally forward the final budget papers to Council.

Council would take the final decision on the budget and council tax. However, the papers at Cabinet also included the three-year medium-term financial plan as well as some additional decisions for Cabinet to take.

The budget proposals set out a significant number of savings that the council was required to make to meet the available budget. Some changes had been made possible by new technology and new ways of working explored during the pandemic, but other savings would result in reductions in the services provided to residents. The **Mayor** paid tribute to staff who had made large adjustments to how they worked whilst continuing to support the borough and its residents during the pandemic.

Introducing the report, the **Mayor** highlighted a number of issues that had played a part in decision making over the draft budget, including:

- The ten-year austerity regime imposed on local authorities which had resulted in more than £200 million being removed from the Council's budget capacity and the additional £30 million in savings required by 2024. The fight for a fair funding settlement would continue.
- The desire to create a progressive budget supporting residents in a host of different ways with some universal services and others targeted at specific groups.

- The continuation of funding for free school meals and provision of additional police officers.
- Investment in Children's Centres and other support for families.
- The value of the tackling poverty fund.
- Work to build and acquire new council housing.
- Investment in three new secondary schools.
- Work to tackle air quality.
- The council tax discount scheme.
- How the East End was a magical place and the Council wanted to do all it could to unlock the energy and potential of local residents.

Councillor Candida Ronald, Cabinet Member for Resources and the Voluntary Sector, highlighted the detailed sections of the report including the updated Medium Term Financial Plan, Council Tax and Adult Social Care precept proposals, rent and tenant service charge changes for agreement and the unchanged council tax support scheme amongst other points. She noted that prudent use of reserves was proposed but that further savings would also need to be identified in the coming years. She highlighted that the pandemic was creating great uncertainty as to the Council's financial position and that, whilst extra government funding had been announced, it was short term and in many separate awards which made it difficult to plan. She thanked finance staff who had worked tirelessly to put the budget proposals together.

Councillor Peter Golds, Leader of the Conservative Group, highlighted the need to work together to determine the best budget for the borough. He welcomed the work the Council had undertaken to prepare the draft budget in such uncertain times. He highlighted a number of areas that his group would be examining such as those around social care and how the Council best supported residents in their general wellbeing. He also highlighted concerns about how the financial impact of the pandemic was being monitored and set out. His group would be presenting proposed amendments at the budget council meeting.

The meeting then discussed the report. It noted a number of issues and points raised by Cabinet Members and others including:

- A representation to the meeting expressing concern at the potential cuts to events provided by the Council.
- There will be a working group looking at how events can best be run in the future.
- The importance of the Workpath service to support residents into new work and training.
- How support was being provided to families including through children's centres and direct to families and the role of the Council as the Corporate Parent of a number of local children.
- The investment taking place in relation to housing on local estates.
- How community safety was a priority for the Council and the budget consultation had shown the importance residents placed on this area of work.
- The maintenance of anti-poverty work and supporting food distribution in the borough including supporting the opening of a new food pantry.

- The budget consultation had shown the public wished the Council to continue to invest in supporting residents through the public health team and lots of hard work was ongoing in this area especially in relation to the response to the pandemic, isolation and loneliness.
- The resilience of the social work teams through the pandemic was acknowledged and welcomed.
- How difficult it is to plan a budget when national financial settlements are short-term and piecemeal.
- Ongoing investment in parks and gardens.
- Noted the changes to the planning service budget and the work to sell their services to other boroughs.

The **Mayor** thanked everyone for their contributions to the discussion. He proposed the recommendations in the report which would lead to the budget papers being submitted to Overview and Scrutiny Committee for review before the final budget proposals, with any amendments, were agreed at Cabinet on 27 January 2021.

RESOLVED

1. To note the updated draft MTFs for 2021-22 to 2023-24, taking account of draft savings and growth business cases and a revision to the income assumptions (Council Tax and Business Rates) proposed since the last MTFs report to Cabinet on 29 July 2020. If these were all agreed at the current values proposed, the estimated budget gaps before use of one-off reserves would become £7.8m (21-22), £19.1m (22-23) and £10.9m (23-24).
2. To propose the use of reserves on a one-off basis to balance the budget in 21-22 in the sum of £7.8m (£6.5m of which is the pre-planned drawdown from the Council Tax smoothing reserve) and agree a further contribution from reserves in 22-23 in the sum of £8.2m to smooth the budget deficit over the medium term.
3. To note the need to set a balanced budget for 2021-22, the aspiration to also set a balanced budget over the rest of the three year MTFs period and that prompt and decisive action is required urgently to address the challenging financial position as highlighted by the budget gaps.
4. To agree that:
 - a) further review work should continue on the draft savings proposed to date, and;
 - b) officers should continue to identify further savings opportunities for consideration to fully meet the estimated budget gap over the next three years.
5. To propose that the Council Tax rate for 2021-22 will be increased by 1.99% general rate increase and an additional 3.00% Adult Social Care precept, totalling 4.99%.

6. To propose that the Key Stage Two extension to the Free School Meals programme will be funded throughout the three years of the MTFS by £2m per annum from reserves (reserves supplemented by additional New Homes Bonus in 21-22) and continuation of the £1m per annum funding through the Public Health grant.
7. To propose the growth proposal of £771k per annum for three years' investment in additional police officers in the borough under Section 92 of the Police Act 1996 (Grant from a Local Authority) with the Mayor's Office for Policing and Crime (MOPAC) using the revised Met Partnership Plus scheme; and,
8. To propose to delegate authority to the Corporate Director Health, Adults and Community, in liaison with the Corporate Director Resources, to execute the necessary agreement with MOPAC and Tower Hamlets Police – Basic Command Unit for Central East.
9. To agree an average housing rent increase of 1.5% based on the September 2020 Consumer Price Index plus 1% to take effect from the first rent week of April 2021. This equates to an average rent increase of £1.23 per week for 2021-22.
10. To agree that the average weekly housing tenanted service charge will increase by 1.5% from the first rent week in April 2021. 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 £0.57.
11. To note that the Local Council Tax Reduction Scheme will remain unchanged for 2021-22.
12. To note the following matters:

The General Fund revenue budget for 2021-22 and MTFS 2021-22 to 2023-24

The initial budget proposals and Council Tax for 2021-22 together with the MTFS set out in Appendix 1.

Funding

The funding available for 2021-22 and the indications and forecasts for future years as set out in Sections 3.3 and 3.5.

Growth and Inflation

The risks identified from the potential growth and inflation commitments arising in 2021-22 and future years as set out in Section 3.6 & Appendix 3.

Savings

New proposed saving items to be delivered in 2021-24 as set out in Section 3.7 and Appendix 4.

Financial Risks and Opportunities

The strategic budget risks and opportunities as set out in Section 3.8.

Reserves

The reserves policy and proposed approach to the strategic use of reserves as set out in Section 3.9 and Appendix 5.

Schools' Funding

The position for schools' funding including the Dedicated Schools Budget as set out in Section 3.10.

Housing Revenue Account

The proposals for Housing Rent and Tenanted Service Charge Setting 2021-22 are set out in Section 3.11.

13. To note the Equalities Impact Assessment (EIA) and specific equalities considerations as set out in Section 4 of the report.

6.3 Fees and Charges 2021-22

Councillor Candida Ronald, Cabinet Member for Resources and the Voluntary Sector, moved the report proposing the fees and charges across the Council for 2021-22. The decisions in the report related to discretionary fees and charges but statutory charges are included for completeness. The report highlighted that most changes were based around a marker such as inflation or the 'Consumer Prices Index' but other varied changes were noted as well.

The **Mayor** welcomed the report but noted that the Overview and Scrutiny Committee were due to consider this report at their meeting next Monday. To allow them time to submit comment he therefore proposed to confirm that cabinet was content with the contents of the report but to hold off on the final decision until the Cabinet meeting on 27 January 2021.

The Pre-Decision Scrutiny Question and officer response were noted, in particular discussing why percentage rises varied across directorates. It was noted that these increases could be very small as a financial value (e.g. 10p).

The **Mayor** then put forward the amended recommendation. This was **agreed** without dissent and it was:

RESOLVED

1. To welcome the report as set out but to defer a final decision until the Cabinet meeting on 27 January 2021 to allow the Overview and Scrutiny Committee time to comment on the fees and charges proposed.

6.4 Calculation of Council Tax Base 2021-22

The **Mayor** introduced the annual report setting out the calculation of the Council Tax base. This was a technical report that was required for decision before the Council's budget and council tax was set.

He noted the Pre-Decision Scrutiny Question and officer response and proposed the recommendation as set out. This was **agreed** without dissent and it was:

RESOLVED

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 2021-22 shall be 102,572.

6.5 Proposal for variation to the AEG Presents: Victoria Park Commercial Concession Tender and Major Events Policy

Councillor Sabina Akhtar, Cabinet Member for Culture, Arts and Brexit, introduced the report setting out proposed variations to the Major Events Policy and the existing contract with AEG. She reported that the 2020 programme of events had been cancelled due to the pandemic and upcoming events were uncertain. Discussions had therefore been ongoing with AEG as to how to best manage the contract over the next period. AEG had requested that the number of event days and the capacity at event days be increased.

This was set out in the report. However, she proposed amendments to the recommendations which were circulated at the meeting which would reduce the number of events from 12 back down to 10 but allowed for an increased capacity at those events. The increased capacity would not increase the area of land used for the events.

The meeting heard from Richard Desmond from the Victoria Park Friends who, whilst acknowledging the need to bring in revenue to support services, expressed concern about a potential increase in event days and the impact that had on local people. Councillor Val Whitehead also presented to the meeting to express similar concerns.

The Cabinet discussed the issues raised and also noted the current expectation that many of the existing event days were for free community events. It also noted that were AEG not interested in taking up the potential contract extension then the Council would soon need to go out to tender on the Major Events Policy.

The exempt/restricted Appendix (Exempt due to Paragraph 3 – Financial or Business Affairs of the Authority) and the Pre-Decision Scrutiny Questions and officer responses.

The Mayor moved the amended recommendations with an additional change to highlight that 4 days would be community event days under the AEG contract. These were agreed without dissent, and it was:

RESOLVED

1. To agree an amendment to the Major Events Policy to allow for six major events at up to 49,999 capacity and four major event days at up to 39,999 capacity per calendar year. Note that for the current contract, AEG Presents are requesting four days at 49,999 (see Point 3 below for more detail).
2. To agree an extension to the current contract from the 31 December 2022 until 31 December 2023. AEG Presents will be required to confirm if they want to take up this extension by 31 October 2021.
3. Subject to licence, agree to the following variation to the capacities for AEG Presents Event Days as follows:
 - i. four Event Days with a capacity of up to 39,999 attendees. These shall be community days.
 - ii. six Event Days with a capacity of up to 49,999 attendees
4. To agree to the proposed revised baseline fees contained in Appendix 1.1 (commercially sensitive information).
5. To authorise the Divisional Director – Legal Services, after consultation with the Corporate Director for Children and Culture, to execute and enter into all necessary agreements.

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 7.55 p.m.

MAYOR JOHN BIGGS