

LONDON BOROUGH OF TOWER HAMLETS
RECORD OF THE DECISIONS OF THE CABINET

HELD AT 5.40 P.M. ON WEDNESDAY, 4 JANUARY 2023

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

Members Present in Person:

Mayor Lutfur Rahman	
Councillor Maium Talukdar	(Deputy Mayor and Cabinet Member for Education, Youth and Lifelong Learning (Statutory Deputy Mayor))
Councillor Ohid Ahmed	(Cabinet Member for Safer Communities)
Councillor Saied Ahmed	(Cabinet Member for Resources and the Cost of Living)
Councillor Suluk Ahmed	(Cabinet Member for Equalities and Social Inclusion)
Councillor Gulam Kibria Choudhury	(Cabinet Member for Health, Wellbeing and Social Care)
Councillor Abu Chowdhury	(Cabinet Member for Jobs, Skills and Growth)
Councillor Iqbal Hossain	(Cabinet Member for Culture and Recreation)
Councillor Kabir Hussain	(Cabinet Member for Environment and the Climate Emergency)

Members In Attendance Virtually:

Councillor Kabir Ahmed	(Cabinet Member for Regeneration, Inclusive Development and Housebuilding)
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Other Councillors Present in Person:

Councillor Peter Golds

Other Councillors In Attendance Virtually:

Councillor Sirajul Islam

Officers Present in Person:

Ann Corbett	(Director, Community Safety)
Nisar Visram	(Director of Finance, Procurement & Audit)
Ellie Kershaw	(Acting Director, Growth and Economic Development)
James Thomas	(Corporate Director, Children and Culture)
Will Tuckley	(Chief Executive)
Richard Ward	(Interim Head of Contracts and Procurement)
Joel West	(Democratic Services Team Leader (Committee))

Officers In Attendance Virtually:

Kevin Bartle

(Interim Corporate Director, Resources & Section 151 Officer)

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from:

- Janet Fasan, Director Legal and Monitoring Officer (Richard Ward, Head of Contracts & Commercial was deputising)
- Ann Sutcliffe, Corporate Director, Place (Ellie Kershaw, Director of Integrated Growth & Development was deputising).

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS AND OTHER INTERESTS

There were no declarations disclosable pecuniary interests.

3. UNRESTRICTED MINUTES

DECISION

1. That the unrestricted minutes of the Cabinet meeting held on Wednesday 14 December 2022 be approved and signed by the Mayor 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

There were no Pre-decision Scrutiny Questions. The Cabinet noted that Scrutiny Committee will be reviewing the 2023-24 Budget Report on Monday 9 January 2023.

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 item was considered alongside Agenda Item 6.2 (Mayor's Foreword to the Council's Budget Report) and the combined minute is presented at the minute for Item 6.2.

6.2 MTFs and Budget 2023-26 Report

DECISION

The Mayor agreed to submit the budget and policy framework aspects of the report for review by the Overview and Scrutiny Committee.

1. Propose a draft General Fund Revenue Funding Requirement of **£446.257m** for 2023-24 subject to remaining changes arising from the final Local Government Finance Settlement and any other necessary adjustments.
2. Propose to freeze the Tower Hamlets element of Council Tax and to levy a 2% Adult Social Care precept for 2023-24.
3. Propose that the Interim Corporate Director Resources uses £22.3m from reserves in 2023-24 to support the budget as set out in section 3.9.8 of the report given the shortfall emerging as part of the 2023-24 budget setting process.
4. Propose that the Interim Corporate Director Resources be authorised to make any changes required to the budget following receipt of the final Local Government Finance Settlement (LGFS) in consultation with the Mayor and Cabinet Member for Resources and the Cost of Living.
5. Authorise the Corporate Director Resources to continue the Council's participation in the 8 Authority Pool for Business Rates with seven other London Local Authorities for 2023-24, subject to due diligence.
6. Note the latest draft position of the Council's reserves, subject to final audit of the statements of accounts.
7. Propose the HRA housing rent and service charge increases as outlined in section 3.11. This includes increasing housing rents for existing tenanted properties by 7% for 2023-24 and for new build properties by CPI +1% for 2023-24 (as per paragraph 3.11.18 of the report).
8. Propose that the National Schools Funding Formula (NSFF) adopted by Tower Hamlets originally in 2019-20 continues for 2023-24. The only changes included are increases to the factor values in line with the NSFF.
9. Propose that the Minimum Funding Guarantee (the mechanism that guarantees schools a minimum uplift in per-pupil funding) is set as close to 0.5% as affordable, the maximum allowed after consideration for growth and factor changes in School allocations.
10. Propose 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.

11. Note that the Local Council Tax Reduction Scheme will remain unchanged for 2023-24.
12. Note the Equalities Implications as set out in Section 5 of the report.

Action by:

INTERIM CORPORATE DIRECTOR, RESOURCES (K. BARTLE)

(Director of Finance, Procurement and Audit (N. Visram))

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 2023-24 by 11 March 2023 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 Council. A comment from the Chief Financial Officer is included within this report.

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 Autumn Statement, the Local Government Finance Settlement, challenges such as high inflation 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. Significant funding reforms have been signalled by Government and the Council has a reliance on funding sources that are potentially subject to change significantly in the Medium Term, and therefore it is important to continue to monitor the Medium Term position.

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 and this will be included in the MTFS report to Cabinet on 25 January 2023. 1.7 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

MTFS report to Cabinet on 25 January 2023 will include the three year Capital Programme 2023-26 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 March 2022 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 budget setting process outlined in this report is 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 and Charges 2023-24

DECISION

1. Approve the proposed changes to discretionary fees and charges as detailed in the appendices, subject to the conditions set out in Recommendation 4 of the report.
2. Approve new discretionary fees and charges as detailed in the appendices, subject to the conditions set out in Recommendation 4 of the report.
3. Approve the revised statutory fees and charges as detailed in Appendix 2 to the report.
4. Note the Equalities Implications as set out in Section 4 and that, where 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. Approve the continued delegation for amendments to fees and charges, including those to take account of the result of EIAs, to the relevant Corporate Director following consultation with the Lead Member and the Mayor.
6. Approve the application of the changes in Street Trading fees and charges, to take effect from 1 April 2023. Cabinet approved on 18

January 2022 to commence the consultation process in respect of Street Trading fees and charges, as detailed in the Fees and Charges 2022-23 report. The consultation has subsequently been carried out in 2022.

Action by:

INTERIM CORPORATE DIRECTOR, RESOURCES (K. BARTLE)

(Director of Finance, Procurement and Audit (N. Visram))

Reasons for the decision

Fees and charges are reviewed annually as part of the financial and business planning process. This ensures that they are set at the appropriate level for the prevailing economic circumstances 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).

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 6.30 p.m.