

**LONDON BOROUGH OF TOWER HAMLETS**  
**RECORD OF THE DECISIONS OF THE CABINET**  
**HELD AT 5.32 P.M. ON MONDAY, 11 JULY 2022**

**COMMITTEE ROOM ONE - 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 Kabir Ahmed            | (Cabinet Member for Regeneration, Inclusive Development and Housebuilding)                            |
| 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)  |

**Other Councillors Present in Person:**

|                             |  |
|-----------------------------|--|
| Councillor Musthak Ahmed    | (Chair of the Overview and Scrutiny Committee) |
| Councillor Peter Golds      |  |
| Councillor Bodrul Choudhury |  |

**Other Councillors In Attendance Virtually:**

Councillor Sirajul Islam

**Officers Present in Person:**

|                          |   |
|--------------------------|---|
| Dr Somen Banerjee        | (Director of Public Health)                                   |
| Kevin Bartle             | (Interim Corporate Director, Resources & Section 151 Officer) |
| Janet Fasan              | (Director of Legal & Monitoring Officer)                      |
| Amy Jackson              | Head of Mayor's Office - Strategy and Performance             |
| Ann Sutcliffe            | (Corporate Director, Place)                                   |
| Will Tuckley             | (Chief Executive)   |
| Dominic Hinde            | (Tackling Poverty Team, Leader)                               |
| Yasmin Ali               | (Development Project Manager, Place)                          |
| Elizabeth Asante-Twumasi | (Political Advisor to the Aspire Group)                       |
| Sam Harney               | (Mayor's Political Advisor)                                   |

Matthew Mannion

(Head of Democratic Services)

**Officers In Attendance Virtually:**

Afazul Hoque

(Head of Corporate Strategy & Policy)

Nisar Visram

(Director of Finance, Procurement & Audit)

**1. APOLOGIES FOR ABSENCE**

Apologies for absence were received on behalf of Denise Radley (Corporate Director, Health, Adults and Community) for whom Somen Banerjee (Director of Public Health) was deputising.

**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 9 March be approved and signed by the Chair as a correct record of proceedings.

**4. ANNOUNCEMENTS (IF ANY) FROM THE MAYOR**

Please see the minutes.

**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 Supporting residents through the cost of living crisis**

**Decision**

1. To agree that the recommended measures set out in the report to support residents through the cost of living crisis be implemented.
2. To agree the additional funding required to undertake the measures.

3. To delegate authority to the Corporate Director, Place to enter into any contracts that are required in order to deliver the measures.
4. To agree that a contract should be entered into with the Post Office as the primary means of distributing funds to residents.

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

(Interim Director for Growth and Economic Development (E. Kershaw))

**Reasons for the decision**

Due to a combination of factors, both internal and external to the United Kingdom, the cost of standard household items like energy and food have increased significantly and will continue to do so.

The government has announced a number of measures that will support households, but these will not cover the additional costs households will incur in full. Therefore, the Council needs to find ways to support its most vulnerable residents.

**Alternative options**

The council could choose not to provide any intervention other than those funded by the Household Support Fund. This is not recommended, as it will lead to many more vulnerable residents remaining in crisis, with an associated detrimental impact on their physical and mental health. It is also likely that not supporting residents at an early stage would lead to increased costs for the council when residents make contact needing emergency support.

**6.2 MTFs and Budget Scene Setting 2023-26****Decision**

1. To note the current General Fund Revenue Funding Requirement of **£421.500m** for 2023-24 prior to the budget setting review to be carried out in year.
2. To note the budget gap assuming a 0% council tax increase compared to the normally permitted 1.99% and the implications on Adult Social Care funding if the Council was not able to levy the assumed 1% Adult Social Care Precept.
3. To note the latest draft position of the Council's reserves, subject to sign off of the statements of accounts.
4. To note that currently £1m funding from the Public Health grant is allocated to the Key Stage Two extension of Free School Meals as well as £2m from the Free School Meals Reserve.

5. To note that any increase in the Social Care Grant for 2023-24 is assumed to be allocated in full to the services (75% to adult social care and 25% to children's social care).
6. To note that the HRA housing rent and service charge increases will require consideration once the September 2022 CPI inflationary figure is known.
7. To note that the 2022-23 Management Fee payable to Tower Hamlets Homes (THH) was increased from £33.236m to £33.676m following addition of the 2021-22 pay award.
8. 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 2022-23, THH is managing delegated income budgets totalling £98.842m and delegated expenditure budgets totalling £32.128m.
9. To note the current assumption that the Local Council Tax Reduction Scheme will remain unchanged for 2023-24.
10. To note the Equalities Implications as set out in Section 4 of the report.

**Action by:****INTERIM CORPORATE DIRECTOR, RESOURCES (K. BARTLE)**

(Director of Finance, Audit and Procurement (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.

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, 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.

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. Capital will be subject to a separate report to Cabinet in July and the setting of capital budgets for the medium term will be aligned to revenue budget setting during the year.

### **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 2021 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 Budget Monitoring Report 2021-22 Period 12 Provisional Outturn

#### Decision

1. Note the Council's provisional outturn position against General Fund, Dedicated Schools Budget, Housing Revenue Account and earmarked reserves for 2021-22, based on forecasts as at 31st March 2022;
2. Note the reserves position of the Council is uncertain pending the closure of the statement of accounts for the period 2016 – 2021;
3. Note the progress made against the 2021-22 savings targets, based on forecasts as at 31st March 2022;
4. Note the Council's projected outturn position against General Fund and Housing Revenue Account capital programme approved budgets, based on forecasts as at 31st March 2022 and approve the net slippage of 2021-22 budgets to periods 2022-23 to 2024-25;
5. Note that there are no equalities implications directly resulting from this report, as set out in Section 4.

#### Action by:

**INTERIM CORPORATE DIRECTOR, RESOURCES (K. BARTLE)**

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

#### Reasons for the decision

The Council could choose to monitor its budgetary performance against an alternative timeframe, but it is considered that the reporting schedule provides the appropriate balance to allow strategic oversight of the budget by Members and to manage the Council's exposure to financial risk. More frequent monitoring is undertaken by officers and considered by individual service directors and the Council's Corporate Leadership Team (CLT) including approval of management action.

To the extent that there are options for managing the issues identified these are highlighted in the report in order to ensure that Members have a full picture of the issues and proposed solutions as part of their decision making.

#### Alternative options

The regular reporting of Revenue and Capital Budget Monitoring information through the year and the preparation of the provisional outturn position after the year end provides detailed financial information to Members, senior officers and other interested parties on the financial performance of the Council. It sets out the key variances being reported by budget holders and the management action being implemented to address the identified issues.

Further information across the Council's key financial activities is also included to ensure that CLT and Members have a full picture to inform their consideration of any financial decisions set out in this report and also their broader understanding of the Council's financial context when considering reports at the various Council Committees.

Set alongside relevant performance information it also informs decision making to ensure that Members' priorities are delivered within the agreed budget provision.

It is important that issues are addressed to remain within the approved budget provision or where they cannot be contained by individual service management action, alternative proposals are developed and solutions proposed which address the financial impact; CLT and Members have a key role in approving such actions as they represent changes to the budget originally set and approved by them.

#### **6.4 Decisions taken by the Chief Executive under urgency procedures**

##### **Decision**

1. To note the decision made by the Chief Executive under the Constitutional provision on emergency or extreme urgency as set out in the attached appendix.

##### **Reasons for the decision**

The Council's Constitution authorises the Chief executive to exercise any executive function in cases of emergency or extreme urgency. The provision requires that following the exercise of such power, the Chief Executive will provide a written report to the Mayor setting out the decision taken and the reason for it including the reasons for emergency or extreme urgency.

##### **Alternative options**

None.

#### **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 6.18 p.m.

Chair, Mayor Lutfur Rahman  
Cabinet