

**LONDON BOROUGH OF TOWER HAMLETS****RECORD OF THE DECISIONS OF THE CABINET****HELD AT 5.38 P.M. ON WEDNESDAY, 3 JANUARY 2024****COUNCIL CHAMBER - TOWN HALL, WHITECHAPEL****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 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 Safer Communities)
Councillor Iqbal Hossain	(Cabinet Member for Culture and Recreation)
Councillor Kabir Hussain	(Cabinet Member for Environment and the Climate Emergency)
Councillor Abdul Wahid	(Cabinet Member for Jobs, Skills and Growth)

**Officers Present in Person:**

Richard Ward	(Interim Head of Contracts and Procurement)
Lisa Fraser	(Acting Corporate Director, Children's Services)
Stephen Halsey	(Chief Executive)
Abdulrazak Kassim	(Director Finance, Procurement and Audit)
Chris Leslie	(Head of Strategic and Corporate Finance)
Julie Lorraine	(Corporate Director Resources)
Raj Mistry	Corporate Director for Communities
Paul Patterson	(Interim Corporate Director Housing And Regeneration)
Denise Radley	(Corporate Director, Health & Adult Social Care & Deputy Chief Executive)
Joel West	(Democratic Services Team Leader (Committee))

**Officers In Attendance Virtually:**

John Harrison	Interim Director of Finance, Procurement and Audit
---------------	--

**1. APOLOGIES FOR ABSENCE**

None.

**2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS AND OTHER INTERESTS**

There were none.

**3. UNRESTRICTED MINUTES**

**DECISION**

1. That the unrestricted minutes of the Cabinet meeting held on Wednesday 13 December 2023 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**

None.

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

None.

**6. UNRESTRICTED REPORTS FOR CONSIDERATION**

**6.1 Fees and Charges 2024-25 Report**

**DECISION**

1. Approve the proposed discretionary fees and charges as detailed in Appendix 1 to the report.
2. Approve the revised statutory fees and charges as detailed in Appendix 2 to the report.
3. Approve the continued delegation for amendments to fees and charges, including those to take account of the result of any Equality Impact Assessment that may be identified, to the relevant Corporate Director following consultation with the Lead Member and the Mayor.
4. Agree that all increases and new fees are implemented from 1<sup>st</sup> February 2024 where possible or as soon as practical thereafter and the strategy be endorsed and incorporated in the MTFs with a review of the strategy to be undertaken in 3 years' time.

**Action by:****CORPORATE DIRECTOR RESOURCES (J. LORRAINE)**

Interim Director of Finance, Procurement and Audit (J. Harrison)

**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 have been reviewed, 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).

**6.2 Budget Report 2024-25 and Medium Term Financial Strategy 2024-27****DECISION**

1. Propose a draft General Fund Revenue Funding Requirement of **£458.661m** for 2024-25 subject to remaining changes arising from the final Local Government Finance Settlement and any other necessary adjustments.
2. Propose to levy a 2% Adult Social Care precept for 2024-25.
3. Approve that the Corporate Director Resources, in consultation with the mayor and Cabinet Member for Resources & Cost of living, be authorised to make any changes required to the draft budget following receipt of the Local Government Finance Settlement (LGFS) for further consideration at Cabinet on 31 January 2024.
4. Note the latest draft position of the Council's reserves, subject to final audit of the statements of accounts.
5. Approve the HRA housing rent and service charge increases as outlined in section 3.11 of the report. This includes increasing housing rents for all properties by 7.7% for 2024-25 (CPI +1%), which will also enable updated modelling of the HRA for consideration at Cabinet on 31<sup>st</sup> January 2024.
6. To note this report incorporates the fees & charges changes proposed in another report to Cabinet and they are included in the draft budget and medium-term financial strategy.

7. Agree that the National Schools Funding Formula (NSFF) adopted by Tower Hamlets originally in 2019-20 continues for 2024-25. The only changes included are increases to the factor values in line with the NSFF.
8. Agree 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.
9. Agree that the structure of the Early Years Funding Formula remains unchanged except for the introduction of the expanded two-year-old entitlement and new provision from 9 months from September 2024 with revised hourly rates increases in line with the Early Years National Funding Formula.
10. Note that the Local Council Tax Reduction Scheme will remain unchanged for 2024-25.
11. Note the School funding position set out at Section 3.10 of the report, in particular the overall Dedicated Schools Grant (DSG) deficit.
12. Note the Equalities Implications as set out in Section 5 of the report.
13. Note the Council Taxbase calculations in Appendix 4 to the report.

**Action by:****CORPORATE DIRECTOR RESOURCES (J. LORRAINE)**

Interim Director of Finance, Procurement and Audit (J. Harrison)

**Reasons for the decision**

The Council has a statutory duty to set a balanced and sustainable budget and to set the Council Tax Levels for the financial year 2024-25 by 11 March 2024 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 be 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 in the Chancellor's Autumn Statement, the Local Government Finance Settlement, and challenges such as high inflation and the ongoing 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 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 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.

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 31 January 2024 will include the three-year Capital Programme 2024-27 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 for the coming financial year. The Mayor can propose the Council's priorities, in terms of the services it delivers and the level of investment, for agreement by the Council.

Additionally, the Council has a statutory duty to set a balanced HRA. 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. The starting point for this is the agreement of rents and services charges.

#### **7. ANY OTHER UNRESTRICTED BUSINESS CONSIDERED TO BE URGENT**

Nil items.

#### **8. EXCLUSION OF THE PRESS AND PUBLIC**

A motion to exclude the press and public was not required.

#### **9. ANY OTHER EXEMPT/ CONFIDENTIAL BUSINESS CONSIDERED TO BE URGENT**

Nil items.

The meeting ended at 6.20 p.m.