

LONDON BOROUGH OF TOWER HAMLETS**RECORD OF THE DECISIONS OF THE CABINET****HELD AT 5.40 P.M. ON WEDNESDAY, 31 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)

Other Councillors Present in Person:

Councillor Sirajul Islam

Officers Present in Person:

Janet Fasan	(Director of Legal & Monitoring Officer)
Warwick Tomsett	Joint Director, Integrated Commissioning
Simon Baxter	(Interim Director Public Realm)
Catherine Boyd	Interim Head of Arts, Parks and Events
Terry Bryan	(Service Head (Pupil Access and School Sufficiency))
Catherine Grace	(Head of School Admissions)
Stephen Halsey	(Chief Executive)
Afazul Hoque	(Head of Corporate Strategy & Policy)
Abdulrazak Kassim	(Director Finance, Procurement and Audit)
Daniel Kerr	(Strategy and Policy Manager)
Chris Leslie	(Head of Strategic and Corporate Finance)
Julie Lorraine	(Corporate Director Resources)
Paul Patterson	(Interim Corporate Director Housing And Regeneration)
Steve Reddy	(Interim Corporate Director, Children's Services)
Karen Swift	(Divisional Director, Housing and Regeneration)
Abad Uddin	(Graduate Management Trainee, Human

James Walsh	Resources) (Housing Regeneration Officer, Major Project Development, Development & Renewal)
Joel West	(Democratic Services Team Leader (Committee))

Officers In Attendance Virtually:

John Harrison	Interim Director of Finance, Procurement and Audit
William Jabang	(Senior Procurement Manager)

1. APOLOGIES FOR ABSENCE

None.

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS AND OTHER INTERESTS

In relation to Item 6.7 HAP Regeneration Scheme, Councillor Iqbal Hossain, Cabinet Member for Culture and Leisure, declared that his brother was secretary for Redcoat community centre.

3. UNRESTRICTED MINUTES

RESOLVED:

1. That the unrestricted minutes of the Cabinet meeting held on Wednesday 3 January 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

The Mayor and Cabinet noted the Overview and Scrutiny Committee's Review of budget proposals 2024-25 (26/01/2024).

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

None.

6. UNRESTRICTED REPORTS FOR CONSIDERATION**6.1 Budget Report 2024-25 and Medium Term Financial Strategy 2024-27****DECISION:**

Propose a draft General Fund Revenue Funding Requirement of **£459.429m** for 2024-25 subject to remaining changes arising from the final Local Government Finance Settlement and any other necessary adjustments.

1. Propose to levy a 2% Adult Social Care precept and an increase of 2.99% on the general Council Tax element for 2024-25.
2. 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 Final Local Government Finance Settlement (LGFS).
3. Note the latest draft position of the Council's reserves, subject to final audit of the statements of accounts.
4. Approve the creation of the Council Tax Cost of Living Relief Fund.
5. Note the results of the budget consultation at Appendix 10.
6. Propose the 2024-25 Housing Revenue Account budget as set out in Appendix 7A.
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, in particular the overall Dedicated Schools Grant (DSG) deficit.
12. Note the Equalities Implications as set out in Section 4.

13. Approve the three-year General Fund (GF) Capital Programme 2024-27 as set out in Appendix 8A, totalling £202.255m.
14. Approve the three-year Housing Revenue Account (HRA) Capital Programme 2024-27 as set out in Appendix 8D, totalling £384.918m.
15. Approve the revised 2023-24 General Fund and HRA Capital Programme budgets as set out in Appendix 8A and 8D, totalling £88.862m and £72.157m respectively.
16. Approve the budget allocation growth and reductions to schemes in the General Fund and Housing Revenue Account capital programme as detailed in Appendix 8C, subject to sign off through the council's capital governance process.
17. Approve delegated authority to the Corporate Director of Housing and Regeneration in consultation with the Corporate Director of Resources to take any steps required to deliver the capital programme including but not limited to going out to tender, appointing consultants and contractors in accordance with the Procurement Procedures, acquiring land interests and appropriating land from the General Fund to the Housing Revenue Account (HRA) for the delivery of new council homes, subject to approved budgets and in consultation with the Mayor and the Cabinet Member.
18. Approve budget provisions relating to the housing capital rolling programme to maintain and improve the existing council stock, amounting to 23.903m in 2023-24, £23.000m in 2024-25, £28.000m in 2025-26 and £34.000m in 2026-27, totalling £108.903m, in line with the latest update to the 30-year HRA Business Plan, with spend to be only committed in consultation with the Mayor and the Cabinet Member for budget provisions relating to financial years 2024-25 to 2026-27.

All capital projects within the capital programme will only proceed once all due diligence relating to the council's capital governance process has been completed.

Action by:

CORPORATE DIRECTOR RESOURCES (J. LORRAINE)

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 Page

24 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. 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.

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.

6.2 HRA Strategy

DECISION:

1. Agree the financial strategy for the HRA.
2. Agree to the acquisition of c600 homes over the next two years within the HRA.

3. Agree an allocation of 200 homes for temporary accommodation from vacated units of existing stock within the HRA. The allocation of the 600 additional new homes will be made available to those on the housing register ensuring both existing tenants and those on the waiting list to become tenants benefit directly from the investment.
4. Request the Corporate Director of Housing to provide a detailed service delivery plan to ensure timely and agile implementation of the agreed strategy and enable elected members to review and approve proposed works within this plan ahead of their commencement.

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

Head of Strategic Finance - Housing & Regeneration and Communities (P. Butler)

Reasons for the decision

Like all Council's nationally, Tower Hamlets is experiencing a housing crisis, with significant levels of overcrowding across the Borough, a lack of new homes, an ageing housing stock, homelessness increasing and a lack of temporary accommodation to meet this need. This is resulting in significant budget pressures on both the General Fund and HRA.

This financial strategy aims to better utilise the resources available within the HRA with the aim of providing more homes, better homes and less reliance on 3rd party B&B accommodation for those experiencing homelessness.

Alternative options

Do nothing – The Council would not have any headroom for an acquisitions programme or to fund additional investment requirement in existing stock and as a result will not be able to alleviate the temporary accommodation pressures currently being experienced or demonstrate (as we are required to do) readiness to comply with new Consumer Standards under the Social Housing (Regulation) 2023, Act, from 1 April 2024.

The Council will also miss out on applying for GLA subsidy funding towards the acquisition costs of new properties. The current proposed investment in the existing stock and new build programmes would be unaffordable and require a reduction to prevent the HRA falling into deficit.

Land Led Development Programme – Developing schemes internally or through a development agreement with a JV partner remains an important element of the council's investment strategy but it is time consuming and will therefore not alleviate the immediate housing pressure in Borough. The Council will not be able to bid for this tranche of GLA grant funding to support land led development schemes.

Fund Temporary Accommodation acquisitions through the General Fund. The scale of acquisitions would be dependent on the resources available within the General Fund to deliver it. The Council would only be able to take

advantage of up to £75k GLA grant funding per property if acquiring new dedicated T.A. but can receive up to £200k per property if for social housing within the HRA. Therefore, the Council's contribution would be greater and the number of properties it could acquire would be less

6.3 HRA Fees and Charges

DECISION:

1. Approve the proposed HRA fees and charges for 2024-25 as detailed in Appendix 1 of the report

Action by:

CORPORATE DIRECTOR RESOURCES (J. LORRAINE)

Head of Strategic Finance - Housing & Regeneration and Communities (P. Butler)

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 HRA business plan.

6.4 Contracts Forward Plan 2023/24 Q3

An updated version of Appendix 1 to the report was noted.

DECISION:

1. Note the contract summary at the updated Appendix 1 to the report.
2. Authorise the appropriate Corporate Director in consultation with the Mayor to award those contracts set out in the updated Appendix 1 except for 'HAR5945 Rooftop New Homes' (which is not authorised) to the report, following an appropriate procurement exercise,
3. Authorise the Director Legal Services (Monitoring Officer), to execute all necessary contract documents in respect of the awards of contracts, subject to an appropriate award decision being achieved.
4. Note the procurement forward plan 2023-2028 schedule detailed in Appendix 2 to the report.

Action by:

CORPORATE DIRECTOR RESOURCES (J. LORRAINE)

Head of Procurement (J. Parmar)

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 £1m, and any contract for capital works with an estimated value exceeding £5m shall be approved by the Cabinet in accordance with the Procurement Procedures as amended by the General Purposes Committee held on 05 October 2021. 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.

6.5 Corporate Equalities Plan 2023-2026

DECISION

1. Agree the Corporate Equalities Plan 2024-26.
2. Note that a delivery plan will be developed setting out key milestones for actions within the plan. The Mayor, Cabinet Member and Mayor's Office will be engaged in the development of the delivery plan.
3. Note that an Annual Equalities Report will provide update on progress against the actions in the Corporate Equalities Plan.

Action by:

ACTING DIRECTOR OF STRATEGY, IMPROVEMENT & TRANSFORMATION (R. BEATTIE)

Head of Corporate Strategy & Communities (A. Hoque)

Reasons for the decision

The Corporate Equalities Plan 2024-26 is a new key strategic document that sets out the work plan for the whole organisation and reaffirms the council's commitment to tackling all areas of inequality.

Alternative options

The alternative option is not to agree the plan. This is not recommended as without a Corporate Equalities Plan the council may not deliver the equality objectives set out in the Strategic Plan 2022-26 and therefore fail to comply with its statutory obligations under the Equalities Act 2010.

6.6 Procurement and delivery of new electric vehicle charging points 2024-2026

DECISION

1. Approve the procurement of 35 rapid charging points delivered over the next two years to 2026 and fully funded by the appointed supplier.
2. Approve procuring 2000 slow charging points to be delivered over the next two years to 2026.
3. Approve LBTH as the lead borough in undertaking the joint procurement with the London Borough of Barking and Dagenham of 200 fast and 30 rapid charging points delivered over the next two years to 2026 (200 fast charging points and 10 rapid charging points would go to LBTH) Two hundred fast charging points and ten rapid chargers would go to LBTH.
4. Authorise the Corporate Director Communities, following consultation with the Mayor, to approve the contract awards pursuant to the procurements referred to above
5. Authorise the Corporate Director Communities, following consultation with the Mayor, to approve the execution of any other documentation to give effect to the above recommendations
6. Authorise the Corporate Director Communities, following consultation with the Mayor, to enter into any grant agreement relating to the receipt of funding for charging points with the Department of Transport

Action by:

CORPORATE DIRECTOR COMMUNITIES (S. BAXTER)

Acting Director Public Realm (A. Ali)

Reasons for the decision

This decision is required so that work can proceed to deliver on policies set out in the Strategic Plan Priority 7: A clean and green future.

Delegating the awarding of the contract for each of the above procurement exercises to the director of Communities would reduce the delay incurred to project delivery to return to the cabinet for decisions to award in May and September 2024.

Alternative options

Refusal to install the required number of electric vehicle charging points on the street: This would compromise the Council's ability to comply with its Strategic and Air Quality Action plans and London-wide Air Quality and Transport Policies.

Reduce the speed of delivery: current changes in the market and emissions legislation suggest that demand is likely to grow more quickly than predicted,

and slowing delivery would lead to a significant undersupply of required charging point.

6.7 HAP Regeneration Scheme

DECISION:

1. Confirm that the Land (outlined in red on the plan attached at Appendix 1 to the report) is no longer required for those purposes for which it is held (housing and open space);
2. Approve the appropriation of the Land for planning purposes to facilitate the redevelopment for residential and community uses pursuant to section 122(1) of the Local Government Act 1972 (subject to 2.1.3 below);
3. Delegate authority to the Corporate Director of Housing and Regeneration in consultation with the Mayor, to take all necessary steps to affect the appropriation of the Land for planning purposes in accordance with section 122(1) of the Local Government Act 1972, including applying to the Secretary of State for consent to the appropriation of the parts of the Land held for housing purposes pursuant to section 19(2) of the Housing Act 1985;
4. Delegate to the Corporate Director of Housing and Regeneration, the authority to appoint external consultants to assess and agree any compensation and claims arising from redevelopment of the Land;
5. Delegate authority to the Director of Housing and Regeneration and the Director of Legal Services and Monitoring Officer, in consultation with the Mayor, to agree the terms of and enter into any documentation required to settle any property matters necessary to progress the regeneration scheme;
6. Agree the proposals to relocate the Redcoat Community Centre and Mosque in accordance with the approach set out in section 8 of the report and to delegate the terms for disposal of a lease of a new facility to the Corporate Director of Housing and Regeneration in consultation with the Mayor;
7. Agree in principle, further to the Cabinet report dated 15 December 2021, that the Council can pursue the use of compulsory purchase powers to support the delivery of the redevelopment of the Land and the objectives of the scheme to acquire any outstanding interests in the Land; and
8. Agree in principle to authorise the making, seeking confirmation and implementation of a CPO in order to facilitate the redevelopment of the Site and, to provide new and improved housing, and community facility. Note the intention to bring a further report to the Mayor in Cabinet later

in 2024 recommending the formal making of a compulsory purchase order.

Action by:

CORPORATE DIRECTOR OF HOUSING AND REGENERATION (P. PATTERSON)

Abad Uddin (Head of Regeneration)

Reasons for the decision

The decisions sought in this report are to enable the delivery of more than 400 new homes and a new community centre on Council-owned land currently occupied by housing blocks (known collectively as Harriott House, Apsley House and Pattison House), comprising 100 flats and maisonettes, and two community buildings.

Alternative options

Do nothing option: if the Council decides not to appropriate the Land, then there is the potential that affected interest holders could bring injunction proceedings which could stop the construction of the project or significantly delay its delivery. Doing nothing could therefore significantly delay the delivery of the regeneration and the new affordable homes.

6.8 Licence to occupy areas of Victoria Park in 2024, 2025 and 2026 at times to be more specifically agreed

DECISION

1. Approve the option to enter into a three-year Licence to Occupy with AEG Presents Limited as required.
2. Authorise the Corporate Director of Communities to instruct the Director of Legal Services and Monitoring Officer, to execute and enter into all necessary agreements to give effect to the implementation of recommendation 1 from the report;
3. To note the Equalities specific considerations as set out in Paragraph 4 of the report.

Action by:

CORPORATE DIRECTOR COMMUNITIES (S. BAXTER)

Head of Arts, Parks and Events (C. Boyd)

Reasons for the decision

AEG Presents Limited has approached the Council, requesting a licence to occupy parts of Victoria Park at times to be agreed during April to September for a term of three years (2024, 2025 and 2026) for a proposed 11 days of major events (or such other days that comply with the Council's Major Events Policy for Victoria Park) and up to eight days of community events plus additional days to be agreed for assembling and dismantling of any required facilities.

The decision to enter into a three-year Licence to Occupy with AEG Presents Limited for use of Victoria Park will enable the Council to receive a guaranteed rental fee (subject to a Premises Licence being granted).

The granting of the licence to occupy is a key decision as it may have a significant impact on the communities of two or more wards.

A three-year licence to occupy would enable the Council to test (with an experienced operator with a good track record) an increased number of large and major event days per year in Victoria Park, in line with the Council's Major Events Policy for Victoria Park.

AEG Presents Limited currently hold ten event days per year, of which six are paid entry commercial event days and four are free to access community event days. If the licence to occupy is granted for three years, AEG Presents Limited propose to hold 11 paid entry commercial event days per annum (five days in May/June and six in August) plus a further eight free to access community event days per annum (four in May/June and four in August).

AEG Presents Limited, subject to licensing, intend to operate one additional event weekend in May/June 2024 and increase this to two event weekends in May/June 2025 and 2026 by mutual agreement. The proposed new event dates would be in addition to the current All Points East and In the Neighbourhood event series, which is typically held in August. These additional event days will provide more opportunities for residents to benefit from cultural events, increase expenditure through the local economy and generate more income to support Council services including the upkeep of parks and open spaces.

Through the proposed three-year licence to occupy arrangement, the Council will be able to demonstrate that Victoria Park is a viable venue for an increased number of music focussed major events. Currently AEG Presents Limited operate six of their ten event days as major music event days and four as free to access community days. Their proposal is to increase this number to 11 music focussed event days and eight free to access community days over the three-year licence period, giving a total of 19 major and large event days per year.

Through the licence to occupy arrangement, AEG Presents Limited will be required to obtain a Premises Licence for the increased number of major music event days. AEG Presents Limited have a good track record of delivering events in Victoria Park in compliance with their Premises Licence conditions. By demonstrating that Victoria Park can successfully hold more event days per annum, in line with the Major Events Policy for Victoria Park, it is anticipated that the Council will receive more commercially advantageous offers for future licence to occupy/contract opportunities. Future opportunities would be made available to the market in late 2025 for a licence to occupy/contract commencing from 2027, by which point AEG Presents Limited will have (subject to obtaining a Premises Licence) delivered 11 paid entry commercial music focussed major event days and eight free to access community event days per annum in Victoria Park.

Alternative options

If the Council does not enter into a three-year licence to occupy, then there would be a financial loss to the Council. Details of the loss of potential income to the Council is provided in exempt Appendix 1 to the report.

AEG Presents Limited have proposed a new event (starting with one weekend in 2024 and the potential to increase to two weekends in 2025 and 2026) on the basis that the Council enters into a three-year licence to occupy. This is due to the financial risk and resources required to extend their current programme from 10 event days to up to 19 event days per annum.

A three-year licence to occupy will enable the Council to test the viability (commercially and practically in relation to Premises Licence requirements) of increasing the number of large and major events held in Victoria Park before committing to a longer term (up to six years) commercial arrangement with other potential operators. Due to event planning lead in times and commercial considerations, it would not be possible to consider another event operator for summer 2024. Furthermore, under the current licence to occupy arrangement with AEG Presents Limited, no other competing music focussed events could be considered for summer 2024.

7. ANY OTHER UNRESTRICTED BUSINESS CONSIDERED TO BE URGENT

None.

8. EXCLUSION OF THE PRESS AND PUBLIC

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

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 7.30 p.m.

Mayor Lutfur Rahman