

LONDON BOROUGH OF TOWER HAMLETS

DECISIONS OF THE COUNCIL

HELD AT 7.00 P.M. ON WEDNESDAY, 22 JANUARY 2025

COUNCIL CHAMBER - TOWN HALL, WHITECHAPEL

AGENDA ORDER

During the meeting, Members agreed to vary the order of business to take item 10.1 (Briefing Note – OFSTED Inspection Report outcome) after the Chief Executive announcements (Item 4), as Children from a local choir were present at the meeting to perform their songs.

Item 10.2 (Progress update on Best Value Improvement Matters) was taken after item 8 (Opposition Motion on Best Value).

For clarity, the decision sheet is presented in the order the items appear on the agenda.

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from:

Councillor Sirajul Islam, Councillor Marc Francis, Councillor Asma Begum, Councillor Ayas Miah and Councillor Amina Ali.

Apologies for lateness were received from Councillor James King however he did not attend the Council meeting.

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS AND OTHER INTERESTS

Councillor Ohid Ahmed, Councillor Nathalie Bienfait, Councillor Shubo Hussain, Councillor Abu Talha Chowdhury declared a personal interest in item 7 (Administration Motion – Council Divestment of Pension Funds) for the sake of transparency in that they had attended rallies supportive of the campaign and petition recently presented to pensions committee calling for the divestment of Tower Hamlets' pension fund.

3. MINUTES

DECISION

1. Agree the minutes of the Ordinary meeting of the Council of 22nd November 2024 and approve them as a correct record of the proceedings. The Speaker was authorised to sign the minutes accordingly.

4. TO RECEIVE ANNOUNCEMENTS (IF ANY) FROM THE SPEAKER OF THE COUNCIL OR THE CHIEF EXECUTIVE

Announcements from the Speaker and the Chief Executive.

See the minutes.

5. TO RECEIVE PETITIONS

There were no petitions to debate or be presented to Council.

6. MAYOR'S REPORT

Mayor Lutfur Rahman presented his report to the Council.

The Deputy Opposition Group Leader, Councillor Amy Lee then responded briefly to the Mayor's report.

Mayor Rahman provided concluding remarks.

7. ADMINISTRATION MOTION DEBATE

Council considered a motion as printed in the agenda on Council Divestment of Pension Funds that had been **moved** by Councillor Saied Ahmed and **seconded** by Councillor Maium Talukdar.

Council also considered an amendment proposed and **moved** by Councillor Amy Lee and **seconded** by Councillor Shubo Hussain as set out in the tabled papers as follows:

Amendment Proposed by Councillor Amy Lee and seconded by Councillor Shubo Hussain.

Additions underlined
Deletions struckthrough

This Council notes:

1. That in Local Authorities across the country, millions of pounds from local government pension funds are being used to fund the unethical purchase of products, including arms.

2. ~~That the use of these arms is often used in serious conflicts across the globe — including the ongoing conflict in Gaza (which the UN Human Rights Office found consistent with genocide).~~ That the use of these arms is often deployed in serious conflicts across the globe, including the ongoing conflict in Gaza and the Occupied Palestinian Territories, as well as conflicts in Sudan, Congo, and Ukraine, all of which are the subject of current and pending international legal cases concerning violations of human rights, war crimes and/or the crime of genocide (for example at the International Court of Justice).
3. That in August of 2024, Waltham Forest council took the decision to divest £773,000 of its £1.1billion pension fund, that appeared to be invested in companies engaged in the dealing of weapons, and other councils such as Islington have likewise made concrete divestment commitments, demonstrating that divestment is both possible and financially prudent.
4. ~~That in Palestine (specifically Gaza) and other conflicts weapons are being funded by Local Government Pension funds.~~ That Local Government Pension funds risk funding weapons in multiple conflicts around the globe (including Gaza, Sudan, Congo, and Ukraine) if steps toward ethical divestment are not taken.
5. That daily, civilians are killed by drone and aerial attacks across the globe.
6. That these weapons – including deadly drones and missiles – are often part-paid for by funds drawn from local government pension pots.
7. That at the September 30th meeting, the Pensions Committee requested legal advice in relation to divestment of any funds associated with arms dealing or any activities that facilitate death and destruction in other countries.
8. That an update was provided by London CIV at the November meeting of the committee, where it was acknowledged that the council can divest its funds following due process and a declaration of intent to do so.
9. That this was unanimously supported by all members of the committee.
10. That the ongoing international legal cases regarding the occupation of Palestine and war between the State of Israel and Hamas, the illegal Russian invasion of Ukraine, and the ever-growing climate emergency have highlighted the ethical implications of current investment practices.
11. That across the UK, campaigns led by trade unions and human rights organisations, are pressing councils to divest millions of pounds from companies that are complicit in or profit from military occupation and violation of human rights; invest in weaponry and surveillance technology; and/or are involved in fossil fuel exploration and processing.
12. That fossil-fuel-related investments pose a serious threat to the climate, contribute to toxic air pollution, and risk the financial stability of pension funds.
13. That the Tower Hamlets Local Government Pension Scheme (LGPS) holds millions of pounds of assets, contributed by council staff and admitted employers, and is managed with oversight from the Pensions

Committee (who act as Trustees) and the London Common Investment Vehicle (CIV).

This Council believes:

1. ~~That public pension funds should not be used to facilitate the mass murder of thousands of innocent men, women, children and infants.~~ Public pension funds must not be used—directly or indirectly—to facilitate the mass harm of civilians or to enable violations of international law.
2. That Tower Hamlets council has a proud history of internationalism, and standing up in whatever way it can to global tyranny and acts of atrocity.
3. ~~That the people of Palestine, and all those living in war-torn countries, should not face death; injury; or displacement from weapons funded from public money in Tower Hamlets.~~ That people living in Palestine (including Gaza) and all others affected by war—such as in Sudan, Congo, and Ukraine—should not be harmed by weapons funded by public money in Tower Hamlets.
4. That council staff have a right to know where their money is being spent.
5. That retirement funds should not undermine a safe climate or human rights; instead, our LGPS should be invested ethically to ensure both financial stability and respect for international law.
6. That properly planned ethical investment (including divestment from fossil fuels, arms companies complicit in human rights abuses, and other unethical industries) will keep the Fund healthy and meet its financial obligations.

This Council resolves:

1. To call for a complete audit of how all pension funds are used, and where any funds are invested.
2. ~~To publicly declare its intent to divest all funds away from companies who deal with arms.~~ publicly declare its intent to divest all funds away from companies involved in arms dealing, violations of human rights, international/humanitarian law, or fossil fuel exploration and processing.
3. To request a formal report be brought to the next available Pensions committee and Cabinet on how this divestment process will be accelerated.
4. To support and commend any local community campaigns that call on the council to disclose its LGPS fund investments publicly and to develop a clear roadmap for ethical investment.
5. To ensure that the Pensions Committee (and any relevant subcommittees) consider both human rights and climate impacts in all future investment decisions, working with the London CIV to facilitate divestment where appropriate.

Following debate, the amendment moved by Councillor Amy Lee and seconded by Councillor Shubo Hussain was voted on and was defeated. The motion moved by Councillor Saied Ahmed and seconded by Councillor Maium Talukdar was put to the vote and was **agreed**.

DECISION

This council notes:

1. That in Local Authorities across the country, millions of pounds from local government pension funds are being used to fund the unethical purchase of products, including arms.
2. That the use of these arms is often used in serious conflicts across the globe – including the ongoing conflict in Gaza (which the UN Human Rights Office found consistent with genocide).
3. That in August of 2024, Waltham Forest council took the decision to divest £773,000 of its £1.1billion pension fund, that appeared to be invested in companies engaged in the dealing of weapons.
4. That in Palestine (specifically Gaza) and other conflicts weapons are being funded by Local Government Pension funds.
5. That daily, civilians are killed by drone and aerial attacks across the globe.
6. That these weapons – including deadly drones and missiles – are often part-paid for by funds drawn from local government pension pots.
7. That at the September 30th meeting, the Pensions Committee requested legal advice in relation to divestment of any funds associated with arms dealing or any activities that facilitate death and destruction in other countries.
8. That an update was provided by London CIV at the November meeting of the committee, where it was acknowledged that the council can divest its funds following due process and a declaration of intent to do so.
9. That this was unanimously supported by all members of the committee.

This Council believes:

1. That public pension funds should not be used to facilitate the mass murder of thousands of innocent men, women, children and infants.

2. That Tower Hamlets council has a proud history of internationalism, and standing up in whatever way it can to global tyranny and acts of atrocity.
3. That the people of Palestine, and all those living in war-torn countries, should not face death; injury; or displacement from weapons funded from public money in Tower Hamlets.
4. That council staff have a right to know where their money is being spent.

This Council resolves:

1. To call for a complete audit of how all pension funds are used, and where any funds are invested.
2. To publicly declare its intent to divest all funds away from companies who deal in arms.
3. To request a formal report be brought to the next available Pensions committee and Cabinet on how this divestment process will be accelerated.

(Action by: Julie Lorraine, Corporate Director for Resources)

8. OPPOSITION MOTION DEBATE

Council considered a motion as printed in the agenda to Best Value that had been **moved** by Councillor Amy Lee and seconded by Councillor Mufeedah Bustin.

Council also considered an amendment proposed and **moved** by Councillor Saied Ahmed and **seconded** by Councillor Kabir Ahmed as set out in the tabled papers as follows:

Amendment Proposed by Councillor Saied Ahmed and seconded by Councillor Kabir Ahmed.

Additions underlined
Deletions struckthrough

This Council Notes:

1. The Best Value Inspection Report, commissioned by the Department for Levelling Up, Housing and Communities, identified areas where the Council has not met its Best Value Duty ~~under the current administration led by Mayor Lutfur Rahman and Aspire.~~
2. The report raises concerns about the Council's culture, noting:

- “The lack of trust between councillors, officers, and partners is extremely worrying and is not conducive to good governance and decision-making.”(Section 3.4). This is a culture that has been exacerbated over the previous seven years, with several key failings identified by the report under the purview of the previous administration.
3. Leadership and accountability are highlighted as areas for improvement, with the report stating:
- “The perception of many interviewees was that many good managers had exited the organisation as a result of ‘speaking truth to power.’” (Section 4.50). However, as per section 4.10, the council was praised for permanently appointing a Chief Executive Officer; Section 151 officer and several other key director positions. This has since been supplemented by the permanent appointment of all statutory officers, and all Corporate Directors. This was never realised under the previous administration.
 - That several historical failings, including a failure to sign off historic accounts; unrecovered VAT; unreconciled payments on account relating to social care contracts with total contractual spend values in excess of £60million; and failure to submit annual governance statements, have contributed to this perception of a lack of accountability and leadership.
 - “Inspectors found the council’s scrutiny culture to be ‘weak and confused,’ with ‘The level of challenge or in-depth scrutiny offered, or exhibited has in our view been inadequate.’” (Sections 10.17 and 5.120) The Council is already in the process of implementing a scrutiny improvement plan. This improvement is also confirmed by Minister in the draft directions provided to the council.
4. A staff survey conducted by the inspection team revealed that 48% of respondents expressed discomfort in raising concerns, and only 27% believed their concerns would be appropriately dealt with. ~~The report also notes:-~~
- ~~“We have seen evidence that staff are also concerned by some appointments and consider them inappropriate. In our staff survey we heard about a ‘friends and family culture,’ ‘cronyism’ and that some staff are concerned that existing relationships between councillors and officers changes the way work is done in the Council.”~~
(Section 4.4)
 - It should also be noted that of a staff cohort of over 5,000, only 300 members of staff were interviewed.

5. The report expresses concerns about the Council's capacity to improve without external oversight:
 - "They found insufficient evidence that the organisation is open and transparent, and values the constructive criticism required to drive improvement. The Inspectors therefore express concern that the Authority will not make sufficient progress to deliver and embed these changes without external accountability." *(Letter from SoS to CEX 12/11/24)*
 - However, the government believes that the tools are there – through existing building blocks such as the Transformation Advisory Board – to work collaboratively to achieve the improvements required.
 - Similarly, the council has earmarked £6million in funding for a continuous improvement fund to support the continuing of this improvement journey.

This Council Believes:

1. The findings in the Best Value Inspection Report highlight serious challenges for the Council's governance and leadership, ~~with potential implications for the effective delivery of essential services to residents.~~ However, section 3.6 and other parts of the report commend service delivery and staff pride in their work. Indeed, this was confirmed by the recent Ofsted inspection of Children's service, that found the council was 'outstanding'.
2. Addressing concerns about the Council's culture, accountability, and scrutiny processes is vital to rebuilding trust and ensuring high standards of governance. There is a responsibility on all members, on both sides of the chamber, to contribute to this rebuilding.
3. Staff, officers, and residents deserve a Council that operates with transparency, respect, and accountability, prioritising professionalism and inclusivity.
4. External oversight can play a constructive role in supporting the Council to address systemic issues and implement meaningful reform.

This Council Resolves To:

1. ~~Acknowledge the findings of the Best Value Inspection Report~~ directions emerging from the Best Value Inspection Report and commit to taking sincere action to address the challenges it highlights.
2. Collaborate fully with the appointed government envoy and statutory support team, welcoming their expertise and input in driving improvements. The Council will work constructively with external leads

on governance, leadership, and culture to restore confidence in its operations.

3. Ensure work is taken to include all political groups in the improvement process and include opposition members on the transformation board.
4. Prioritise creating an open and collaborative culture within the Council, ensuring staff and residents feel their voices are heard and valued in the decision-making process.

Following debate, the amendment moved by Councillor Saied Ahmed and seconded by Councillor Kabir Ahmed was put to the vote and carried. The motion as amended was then put to the vote and approved.

DECISION

This Council Notes:

1. The Best Value Inspection Report, commissioned by the Department for Levelling Up, Housing and Communities, identified areas where the Council has not met its Best Value Duty.
2. The report raises concerns about the Council's culture, noting:
 - “The lack of trust between councillors, officers, and partners is extremely worrying and is not conducive to good governance and decision-making.”(Section 3.4). This is a culture that has been exacerbated over the previous seven years, with several key failings identified by the report under the purview of the previous administration.
3. Leadership and accountability are highlighted as areas for improvement, with the report stating:
 - “The perception of many interviewees was that many good managers had exited the organisation as a result of ‘speaking truth to power.’” (Section 4.50). However, as per section 4.10, the council was praised for permanently appointing a Chief Executive Officer; Section 151 officer and several other key director positions. This has since been supplemented by the permanent appointment of all statutory officers, and all Corporate Directors. This was never realised under the previous administration.
 - That several historical failings, including a failure to sign off historic accounts; unrecovered VAT; unreconciled payments on account relating to social care contracts with total contractual spend values in excess of £60million; and failure to submit annual governance statements, have contributed to this perception of a lack of accountability and leadership.

- “Inspectors found the council’s scrutiny culture to be ‘weak and confused,’ with ‘The level of challenge or in-depth scrutiny offered, or exhibited has in our view been inadequate.’” (*Sections 10.17 and 5.120*) The Council is already in the process of implementing a scrutiny improvement plan. This improvement is also confirmed by Minister in the draft directions provided to the council.
4. A staff survey conducted by the inspection team revealed that 48% of respondents expressed discomfort in raising concerns, and only 27% believed their concerns would be appropriately dealt with.
- It should also be noted that of a staff cohort of over 5,000, only 300 members of staff were interviewed.
5. The report expresses concerns about the Council’s capacity to improve without external oversight:
- “They found insufficient evidence that the organisation is open and transparent, and values the constructive criticism required to drive improvement. The Inspectors therefore express concern that the Authority will not make sufficient progress to deliver and embed these changes without external accountability.” (*Letter from SoS to CEX 12/11/24*)
 - However, the government believes that the tools are there – through existing building blocks such as the Transformation Advisory Board – to work collaboratively to achieve the improvements required.
 - Similarly, the council has earmarked £6million in funding for a continuous improvement fund to support the continuing of this improvement journey.

This Council Believes:

1. The findings in the Best Value Inspection Report highlight serious challenges for the Council’s governance and leadership. However, section 3.6 and other parts of the report commend service delivery and staff pride in their work. Indeed, this was confirmed by the recent Ofsted inspection of Children’s service, that found the council was ‘outstanding’.
2. Addressing concerns about the Council’s culture, accountability, and scrutiny processes is vital to rebuilding trust and ensuring high standards of governance. There is a responsibility on all members, on both sides of the chamber, to contribute to this rebuilding.
3. Staff, officers, and residents deserve a Council that operates with transparency, respect, and accountability, prioritising professionalism and inclusivity.

4. External oversight can play a constructive role in supporting the Council to address systemic issues and implement meaningful reform.

This Council Resolves To:

1. Acknowledge the findings of the Best Value Inspection Report directions emerging from the Best Value Inspection Report and commit to taking sincere action to address the challenges it highlights.
2. Collaborate fully with the appointed government envoy and statutory support team, welcoming their expertise and input in driving improvements. The Council will work constructively with external leads on governance, leadership, and culture to restore confidence in its operations.
3. Ensure work is taken to include all political groups in the improvement process and include opposition members on the transformation board.
4. Prioritise creating an open and collaborative culture within the Council, ensuring staff and residents feel their voices are heard and valued in the decision-making process.

(Action by: Julie Lorraine, Corporate Director for Resources)

9. REPORTS FROM THE EXECUTIVE AND THE COUNCIL'S COMMITTEES

9.1 Youth Justice Board Strategic Plan Update Report

Council considered the report which went to Cabinet on the 8th January 2025 relating to the progress made in Youth Service.

The report was **moved** by Councillor Maium Talukdar and was **seconded** by Councillor Kabir Ahmed.

DECISION

Council **AGREED** to the recommendation made in the report to:

1. Note the progress and achievements made in respect of the Youth Justice Strategic Plan 2024-25 and to agree the plan going forward.

9.2 Polling Districts and Polling Places Review 2024

Council considered the report which went to the General Purposes Committee on 2nd December 2024 relating to Polling Districts and Polling Places Review 2024.

The report was **moved** by Councillor Rebaka Sultana and was **seconded** by Councillor Maium Talukdar.

DECISION

Council **AGREED** to the recommendation made in the report to:

1. Agree the review report and agree the action as set out in the Appendix.

10. OTHER BUSINESS

10.1 Briefing Note - OFSTED Inspection Report Outcome

Council considered the briefing note relating to the OFSTED Inspection of Children Services.

The report was **moved** Councillor Maium Talukdar and **seconded** by Councillor Kabir Ahmed.

DECISION

Council **AGREED** to note

1. The Briefing note and congratulated Children Services on its 'Outstanding' rating.

10.2 Progress Update on Best Value Improvement Matters

Council considered progress update report on Best Value Improvement matters.

The report was **moved** Councillor Saied Ahmed and **seconded** by Councillor Maium Talukdar.

DECISION

Council **AGREED** to note the recommendations in the report to:

1. To note the content of the update report.

10.3 Proportionality and Allocation of Places on Committees of the Council 2024/25

Council considered a report on proportionality and allocation of places on Committees for the Council 2024/25.

The report was **moved** Councillor Maium Talukdar and **seconded** by Councillor Asma Islam.

DECISION

Council **AGREED** to the recommendations set out in the report to:

1. Consider the review of proportionality as at Section 3 of this report and the allocation of seats on Committees and Sub-Committees for the remainder of the Municipal Year 2024/25 as set out at paragraph 3.4 to 3.5.
2. Note the Committees set out for the municipal year 2024/25 listed in paragraph 3.5 as agreed at the Annual Council meeting held on Wednesday 15 May 2024.
3. To agree that the Monitoring Officer is delegated to approve the appointment of Councillors required to fill positions during the municipal year in line with the proportionality arrangements set out in this report on the nomination of the respective group leaders.
4. Agree that the Monitoring Officer be delegated to approve the appointment of ungrouped Councillors to any committee places not allocated by the Council to a political group, after consultation with those Councillors and the Speaker of the Council where there is only one application for the position (where there is more than one application these will be presented to Council for decision).

10.4 ER/VR Exit Payments

Council considered a report on the ER/VR – Approval of Exit Payments.

The report was **moved** Councillor Saied Ahmed and **seconded** by Councillor Maium Talukdar.

DECISION

Council **AGREED** to:

- a) Note and approve the exit payments, including redundancy and the cost of the early payment of pension benefits, the applications for Early Retirement and Voluntary Redundancy, as set out in Appendix 1.

- b) Note that the redundancy payment is part of the individuals' contractual terms and conditions of employment and that the early payment of pension benefits is linked to the Local Government Pension Scheme.

11. TO RECEIVE WRITTEN QUESTIONS FROM MEMBERS OF THE COUNCIL

Due to the lack of time, no questions from members were considered. A written response to be provided to the questions asked.

(Action by: Matthew Mannion, Head of Democratic Services to arrange written response)

12. TO CONSIDER MOTIONS SUBMITTED BY MEMBERS OF THE COUNCIL

Motions 12.1 and 12.2 were not considered due to lack of time.

The meeting ended at 10.04 p.m.