

LONDON BOROUGH OF TOWER HAMLETS**RECORD OF THE DECISIONS OF THE CABINET****HELD AT 5.45 P.M. ON WEDNESDAY, 10 JULY 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 Musthak Ahmed	(Cabinet Member for Jobs, Enterprise, Skills and Growth)
Councillor Saied Ahmed	(Cabinet Member for Resources and the Cost of Living)
Councillor Shafi Ahmed	(Cabinet Member for Environment and the Climate Emergency)
Councillor Kamrul Hussain	(Cabinet Member for Culture and Recreation)
Councillor Gulam Kibria Choudhury	(Cabinet Member for Health, Wellbeing and Social Care)
Councillor Abu Chowdhury	(Cabinet Member for Safer Communities)
Councillor Abdul Wahid	(Cabinet Member for Customer Service, Equalities and Social Inclusion)

Other Councillors Present in Person:

Councillor Jahed Choudhury	Chair of Overview and Scrutiny
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Officers Present in Person:

John Ainsworth	(Senior Performance Improvement Analyst)
Simon Baxter	(Corporate Director Communities)
Sam Brown	(Acting Head of Facilities Management)
Ayesha Hakim Rahman	(Acting Deputy Director of Strategy, Improvement and Transformation)
Stephen Halsey	(Chief Executive)
Amy Jackson	(Head of Mayor's Office)
Abul Kalam	(Service Manager, Housing Management & Procurement)
Ahsan Khan	(Chief Accountant)
Nicola Klinger	(Housing Companies Manager)
Julie Lorraine	(Corporate Director Resources)
Damian Patchell	Markets Manager
Paul Patterson	(Interim Corporate Director Housing And Regeneration)
Doug Plumer	(Data Analytics, Business Intelligence & Performance Lead)

Layla Richards	(Director of Commissioning & Culture)
Karen Swift	(Divisional Director, Housing and Regeneration)
Jill Bayley	(Head of Legal Safeguarding)
Joel West	(Democratic Services Team Leader (Committee))
Ashraf Ali	(Director of Public Realm)

Officers In Attendance Virtually:

John Harrison	(Director of Corporate Efficiency)
Robin Beattie	(Acting Director of Strategy Innovation and Transformation)

1. APOLOGIES FOR ABSENCE

Apologies were received from Steve Reddy, Corporate Director of Childrens Services.

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS AND OTHER INTERESTS

There were no declarations of disclosable pecuniary interest.

3. UNRESTRICTED MINUTES

DECISION

1. That the unrestricted minutes of the Cabinet meeting held on Wednesday 16 May 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

See the minutes

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

None.

6. UNRESTRICTED REPORTS FOR CONSIDERATION

6.1 Budget Monitoring 2023/24 Provisional Outturn

DECISION

1. Note the council's position and consequent provisional outturn as at 31st March 2024, against General Fund Budget (£0.3m underspend) Dedicated Schools Grant Budget (£1.5m overspend), Housing Revenue Account (£5.2m overspend).
2. Note the actions taken to date to address the demand pressures as set out in Appendix A, Section 3.2 of the report.
3. Note the progress made against the 2023/24 savings targets, based at 31st March 2024.
4. Note the council's provisional outturn position against General Fund and Housing Revenue Account capital programme approved budgets for 2023/24, based on provisional outturn at 31st March 2024.
5. Approve the net slippages of £8.9m and net overspends of £1.7m across the General Fund capital programme and net slippages of £10.6m and net underspends of £0.9m across the Housing Revenue Account capital programme as detailed in section 3.18 and 3.19 of the report.
6. Note that there are no equalities implications directly resulting from this report, as set out in Section 4 of the report.

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

Director of Finance, Procurement and Audit (A. Kassim)

Reasons for the decision

The regular, timely and accurate reporting of Revenue and Capital Budget Monitoring information through the year is a key financial control. It makes visible variations to budget to inform decision making and enable the council to take timely mitigating actions.

Alternative options

The council could choose to monitor its budgetary performance against an alternative time frame, 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 CMT including approval of management action.

6.2 Record of Corporate Directors Actions 2023/24 Q4

DECISION

1. Note the Record of Corporate Directors' Actions set out in Appendix 1 to the report.

Action by

CORPORATE DIRECTOR RESOURCES (J. LORRAINE)

Director of Finance, Procurement and Audit (A. Kassim)

Reasons for the decision

The Council's constitution requires that Corporate Director's Actions in respect of contracts over £100,000 must be reported to Cabinet for noting.

The regular reporting of Corporate Director's Actions should assist in ensuring that Members are able to scrutinise officer decisions.

Alternative options

The Council is bound by its constitution to report to Cabinet financial decisions taken under Corporate Director's Actions.

If the Council were to deviate from those requirements, there would need to be a good reason for doing so. It is not considered that there is any such reason, having regard to the need to ensure that Members are kept informed about decisions made under the delegated authority threshold and to ensure that these decisions are in accordance with Financial Regulations.

6.3 Procurement Transformation Programme

The Mayor noted and agreed the reasons for urgency, as provided in the report submitted.

DECISION

1. Note the high-level changes to procurement regulations as derived from the Procurement Act 2023, outlined in section 3.15 of the report.
2. Note the changes to procurement regulations for Health and Social Care contracts as derived from the Provider Selection Regime (PSR) which came into effect in January 2024, outlined in section 3.10 of the report.
3. Support the transformation plan to redefine the Procurement function across the Council; to be an exemplary model of best practice and better enable compliance with the new government legislations.
4. Support the proposed hub-and-spoke structure for managing procurement, to align with the Council's draft Target Operating Model. This restructuring aims to enhance efficiency and effectiveness, whilst maximising value for the Council.

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

Director of Finance, Procurement and Audit (A. Kassim)

Reasons for the decision

The new Procurement Act 2023 comes into force in October 2024 and the NHS Provider Selection Regime (PSR) came into effect of the 1 January 2024.

The legislative changes revolutionise how the public sector spends money introducing new requirements for all local authorities to adhere to. The ambition is to introduce greater flexibility, less bureaucracy and make procurement processes quicker, simpler, and more commercially viable.

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The implementation of these legislations will change the way we procure goods and services within Tower Hamlet's Council. For example, focusing on smaller businesses, implementing direct awards first, or having a commercial contract management system. As a local government body, with circa £440million annual third-party contracts, we need to prepare for this change and work to transform our culture, systems, structure and processes to greater value and compliance.

The Council's Constitution and Standing Orders present creative and innovative opportunities to secure the best service at the best price in a considered, timely and collectively responsible manner. Several parts of this equation, to varying degrees, have exposed historical risks of non compliance, non-delivery, and/or reputational and financial damage. To address this, the Council is undergoing a programme of transformation to the way it delivers procurement, realising value and compliance as set out in this report.

The Council has recently drafted a new Target Operating Model for the organisation which shifts enabling functions to the business and empowers directorates. The proposed hub-and-spokes model and proposed changes for procurement function, set out in this report, will align with the Council's draft Target Operating Model.

The proposed changes will also empower senior management in four key areas: • Risk management and contract management • Accurate financial and performance reporting • KPI tracking and contract management • Control and accountability.

The creation of a Corporate Procurement Strategy for the Council will ensure we are best placed to; procure goods and services for the best value, and economic and social benefit for people who live, work, and do business in Tower Hamlets.

Alternative options

Do nothing - if the Council does not support or implement changes proposed to be compliant with the regulations of the Procurement Act 2023 or PSR, this will impact the Council's ability to comply with its statutory duties set out in the Act. Doing nothing would also lead to an increased risk of significant delays and failures on large, complex procurements resulting to costly and reputational damage for the Council. This would produce a lack of confidence in the market and a reduction in the number of suppliers who are willing to do business with the Council. Limitations to the number of suppliers would not provide best value for the Council or support its equalities and diversity aspirations.

Partial implementation - Accept statutory changes *without* transformation of the procurement function (strategy, structure, processes, systems) – This is not recommended as the current procurement function model has not delivered best value for the Council to the best standard and is inundated with complaints. If we do not deliver a redefined procurement service model, it would pose as a risk of non-compliance, and non-delivery and/or reputational and financial damage to the Council.

Make amendments - The Mayor in Cabinet may choose to further amend the proposed changes to the procurement function. This would require further consideration on any impact to the medium-term financial plan and may potentially delay the Council's procurement improvement process and alignment with the Council's new draft Target Operating Model.

6.4 Annual Strategic Delivery & Performance Report 23/24

The Mayor noted and agreed the reasons for urgency, as provided in the report submitted.

DECISION

1. Note the strategic delivery and performance report for Q4 covering the period of 1st January 2024 to 31st March 2024.
2. Review the status of 51 performance measures in Q4 tracking the delivery of Year 2 of the Strategic Plan 2023-2024 (See Appendix A to the report).

Action by**INTERIM DIRECTOR OF STRATEGY, IMPROVEMENT AND TRANSFORMATION (R. BEATTIE)**

Data Analytics, Business Intelligence & Performance Lead (D. Plumer)

Reasons for the decision

The council's reporting cycle – the Performance Management & Accountability Framework 2023-24 is set up to provide quarterly update reports for the delivery of the Strategic Plan 2022-2026 including operational performance measures.

Targeted performance measurement is relevant to strategic policy as it helps services to be designed so that they can deliver strategic objectives.

By examining performance measures of operational activity, the council can make informed decisions about how to effectively steer resources towards the goals of the organisation.

Alternative options

Cabinet may decide not to review the performance information. This is not recommended as Corporate Directors and Lead Members have a key role to review and challenge under-performance and utilise performance information to inform resource allocation.

6.5 Tower Hamlets Local Plan 2038 – Proposed Submission Version

This item was withdrawn from the agenda on request of the Mayor.

Reasons for the decision

NA

Alternative options

NA

6.6 Approval of the council’s revised Homelessness Accommodation Placement Policy

The Mayor noted and agreed the reasons for urgency, as provided in the report submitted.

DECISION

1. Approves the council’s revised Homelessness Accommodation Placement Policy (Appendix A to the report) and new Homelessness Accommodation Procurement Strategy (Appendix B to the report).
2. Delegate authority to the Corporate Director of Housing and Regeneration should any further amendments be required because of new legislation or case law in consultation with the Mayor and Lead Member.
3. Approve the two pilot schemes, (1) Cost of Living Grant Scheme and (2) Find Your Own PRS Accommodation Scheme, and to register both on the council’s grants register.
4. Delegate authority to officers to administer and issue grants to residents under the Cost of Living and Find Your Own PRS Accommodation Grant schemes.
5. Delegate authority to the Director of Housing to extend the pilots or make them permanent prevention initiatives, subject to available finances and in consultation with the Mayor and Lead member.

Reasons for the decision

The council has a statutory homeless duty. Failure to revise the Homelessness Accommodation Placement policy leaves the council open to legal challenge and judicial review. The availability of suitable accommodation for those requiring temporary accommodation is becoming increasingly challenging. By remaining unable to procure suitable temporary accommodation across a wider geographical area, the council remains reliant on the use of expensive bed and breakfast and commercial hotels in the borough and surrounding areas. This is detrimental to the health and well-being of residents and costly to the council.

Bed and breakfast accommodation and commercial hotels present significantly higher costs to the council which currently average at £982.10 per week. Suitable and more affordable accommodation can be found outside of the current parameters set out in the current policy. The current policy has rigid fixed travel time of up to 90 minutes away from the borough.

Revising the policy in light of legislative and case law establishes a transparency and openness of the council's approach in how accommodation for homeless households is allocated, including but not limited to, why some residents are placed in the borough, while others are not.

The Homelessness Accommodation Procurement Strategy sets out the council's approach as to how accommodation will be procured to discharge the council's statutory homelessness duties and responsibilities. It will ensure that the council follows current legislation and provides a reference point for staff to make their decisions.

The two new proposed pilot grant programmes - the Cost of Living Grant and the Find your Own Private Rented Accommodation scheme are incentives to encourage host households to allow family members to remain and for those being evicted from private rented a grant to find alternative private rented accommodation.

The cost of living grant should cover the majority of the costs for the main householders of keeping non-dependant household members in the family home.

Alternative options

Failing to amend the Homelessness Accommodation Policy places continued and significant pressure on the council to find suitable temporary accommodation.

By not amending the policy and continuing to procure expensive Temporary Accommodation due to the continuation of a rigid fixed travel time from Tower Hamlets, there will remain a significant housing benefit subsidy loss as the council is only able to secure 90% of rent in temporary accommodation at 2011 LHA levels. This leaves a significant shortfall in the money secured to cover cost of the accommodation.

Landlords in London are now opting for guaranteed rents, so properties will continue to be procured at high rates if the council continues to focus on just procuring accommodation both temporary and in the private rented sector in the borough and greater London alone.

Failure to approve the Homelessness Accommodation Procurement Strategy would mean that clear direction to officers in the procurement of suitable and affordable accommodation would remain a challenge and at times undeliverable.

Not approving the 'Find Your Own' Scheme or the Cost of Living Grant for residents who are homeless or at risk of homelessness will mean that those residents who would be empowered and able to source their own accommodation or families helped with expenses to host a family member would be reliant on the council homeless services for finding them somewhere to live.

6.7 Improving our homelessness services - update

DECISION

1. Note the progress made to improve the Council's homelessness services.

Action by

CORPORATE DIRECTOR RESOURCES (J. LORRAINE)

Acting Deputy Director of Strategy, Improvement & Transformation (A. Hakim Rahman)

Reasons for the decision

This report updates progress on key decisions taken by the Mayor in Cabinet on May 16 2024, concerning the Housing Options Service.

This has resulted in:

1. £1.93m additional revenue funding that has been approved to support service improvements.
2. A comprehensive service review and redesign, including immediate staffing considerations.
3. A focus on staff and residents to ensure a positive work environment and staff retention, as well as empathetic and dignified service delivery for residents.
4. Expanded service hours for residents' convenience
5. Monthly service transformation updates from the Deputy CEO to the Mayor's Advisory Board, the relevant portfolio holders, and to recognised Trade Unions, until the point at which required improvements are in place.

The above changes strive to:

Empower staff to deliver exceptional services to residents;

Optimise service delivery models; and

Alleviate pressures from high workloads and resident demand.

Alternative options

This report provides a progress update on implementation of the decisions taken by the Mayor in Cabinet in May 2024.

6.8 Annual Report on School Performance for 2022-2023

DECISION

1. Note the performance outcomes for Tower Hamlets schools.
2. Request a report be submitted to a future Cabinet meeting setting out options to improve school performance in the borough including commissioning of external advice.

Action by

CORPORATE DIRECTOR CHILDRENS SERVICES (S. REDDY)

Director Education (L. Fraser)

Reasons for the decision

Not applicable as this is a noting report.

Alternative options

Not applicable as this is a noting report.

6.9 Interim use of former Shapla School Site

The Mayor noted and agreed the reasons for urgency, as provided in the report submitted.

DECISION

1. Approve Shapla School site is allocated as the agreed decant site for the services identified in the report from the PDC and Commercial Road site until 2027.

Action by

INTERIM CORPORATE DIRECTOR OF HOUSING AND REGENERATION (P. PATTERSON)

Director Regeneration & Assets Wards (D. Hughes)

Reasons for the decision

In October 2021, the Mayor in Cabinet approved for Shapla School to be used for meanwhile use under the delegated authority of the Corporate Director of Place. We return to Cabinet, to seek approval to use the site as an interim base for other Council services rather than meanwhile use.

Shapla School site has been identified within the corporate estate for the decant for services to meet the requirements for the re-development of the Professional Development Centre for the Institute of Academic Excellence and the decant of services based at Commercial Road site for housing redevelopment. This does not include the car pound which is to be relocated elsewhere.

We are seeking approval for allocation of the site for an interim period until 2027 whilst we continue to review the corporate landlord estate for future permanent accommodation. The proposed use is subject to planning permission and DfE consent.

Alternative options

There are currently no alternative options within the corporate landlord estate for the services to relocate to, to enable us to vacate the buildings identified for redevelopment and we would therefore have to look at renting on the commercial market.

6.10 Market Designation (Columbia Road, Watney, Whitechapel)

The Mayor noted and agreed the reasons for urgency, as provided in the report submitted.

DECISION

1. Note the report.
2. Recommend that full Council agrees the markets improvements.
3. Columbia Road Market

– The proposal is to make permanent the temporary measures put in post-Covid:

- officially increase the pitch size to 3mx3m from something that traders have been using for more than six years.
- Make permanent the layout that has been used since reopening after Covid. This means all pitches on the north side and extended from Ravenscroft to Barnet Grove, with market parking on both side of Barnet Grove and one side of Chambord.

4. Watney Market
 - to carry out further engagement with market traders around the use of the gazebos at a later date.
 - to delegate the adoption of the new pitch size of 3m x 3.81m decision on gazebos to the

Corporate Director depending on the results of engagement exercise.

5. Whitechapel Market

- officially designate the area that traders have been using for many years to make the official designated pitch size the one currently marked by red line, 2.57m width x 4.5m depth.

Action by

INTERIM CORPORATE DIRECTOR OF HOUSING AND REGENERATION (P. PATTERSON)

Interim Director Public Realm (A. Ali)

Reasons for the decision

The decision will support the current traders but also help to future proof each Market for future generations.

At Columbia Road it will enable a safe environment for visitors and traders alike and solve a key challenge highlighted by the Columbia Road Action Plan (Tower Hamlets 2022-2027 Markets Improvement Plan) with respect to the restrictive market layout.

At Watney it will solve the challenge of the environment and look of the market area, by enabling the use of new stalls that will be confined to the trader's pitch size. This was highlighted in the Watney Action Plan from the Tower Hamlets 2022-2027 Markets Improvement Plan.

At Whitechapel it will enable us to deliver a key part of the Whitechapel Action plan improved trader facilities in the form of new stalls with no detriment to the space being used by the traders.

Alternative options

"Do nothing" option. The council could choose not to make any changes and keep the status quo. This is not recommended because it leaves the council open to challenge. For Columbia Road market, this could mean 50% of traders losing their licence and could force the closure of the market on health and safety grounds.

6.11 Market & Street Trading Fees & Charges 2024/25

The Mayor noted and agreed the reasons for urgency, as provided in the report submitted.

DECISION

1. Note the consultation response.
2. Recommend to full Council that it agrees option 2, namely to increase the street traders and markets fees by 3.1% from September 2024.

Action by
INTERIM CORPORATE DIRECTOR OF HOUSING AND REGENERATION
(P. PATTERSON)

Interim Director Public Realm (A. Ali)

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. They are set as to not create a surplus, in line with the London Local Authorities Act 1990, but only to pay for allowed costs and charges.

Alternative options

"Do nothing" option. The council could choose to not increase fees. This option would mean that we would not be attempting to address the increased costs associated with administering the markets.

6.12 LBTH Productivity Plan

The Mayor noted and agreed the reasons for urgency, as provided in the report submitted.

DECISION

1. Approve the LBTH Productivity Plan (Appendix 1 to the report). This plan fulfils the government's request for councils to assess and report on efficiency improvements.
2. Acknowledge the submission deadline of 19 July 2024 and website publication requirements. The council will ensure timely submission and public accessibility of the plan.
3. Recognise the LBTH productivity plan as a positive reflection of ongoing efforts to strengthen its efficiency framework. The plan demonstrates the council's commitment to continuous improvement and resident value.

Action by
CHIEF EXECUTIVE (S. HALSEY)

Acting Deputy Director of Strategy, Improvement & Transformation (A. Hakim Rahman)

Reasons for the decision

The following factors necessitate the recommendations outlined in this report:

Government mandate: The Minister for Local Government requested all councils develop Productivity Plans to identify best practices and areas for improvement (Appendix 2 to the report).

Transparency and accountability: Councillor oversight and public access to the plan (published on the council website) are crucial, as mandated by the department.

Meeting the deadline: Timely submission of the LBTH Productivity Plan (Appendix 1 to the report) by 19 July 2024 ensures compliance with department requirements.

Alternative options

Recommended option:

The plan incorporates a visual dashboard on the final page of the LBTH Productivity Plan (Appendix 1 to the report). This dashboard highlights key metrics showcasing areas of productivity across the council. We believe this format offers a unique and impactful way to present our achievements.

Alternative approaches considered:

Narrative-only plan: Plans from other councils may only present a narrative. However, omitting the dashboard could limit the opportunity to showcase best practices through data visualisation.

Addressing all sub questions: The narrative can address all sub-questions provided by the department, but these were optional and the plan is limited to four pages (relevant sub-questions have been addressed within the narrative).

6.13 Nominations to Outside Bodies

DECISION

1. To replace Councillor Kabir Hussain with Councillor Shafi Ahmed as the Council's nominee to London Councils' Transport and Environment Committee (TEC).
2. To replace Councillor Abdul Wahid, with Councillor Musthak Ahmed as the Council's nominee to London Councils' Greater London Employment Forum.

Action by

INTERIM DIRECTOR LEGAL AND MONITORING OFFICER (L. WALKER)

Head of Democratic Services (M. Mannion)

Reasons for the decision

Having representatives on outside bodies increases the Council's engagement with the local community and improves its potential to offer leadership and guidance in relation to activities taking place in the borough.

London-wide initiatives can also offer considerable benefits that promote delivery of the Council's key priorities. Conditions of some London-wide partnerships and trusts are that the Council is represented on their boards.

Alternative options

The Mayor could decide not to make appointments to outside bodies at all. However, this is not recommended as it would reduce the Council's opportunity to be involved in and to support good work within the community and it would also reduce the Council's leadership opportunities. There are also a number of bodies where the Council is required or expected to provide a representative.

7. ANY OTHER UNRESTRICTED BUSINESS CONSIDERED TO BE URGENT

Nil items.

8. EXCLUSION OF THE PRESS AND PUBLIC

A resolution to exclude 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.

Chair, Mayor Lutfur Rahman
Cabinet