

LONDON BOROUGH OF TOWER HAMLETS

DECISIONS OF THE COUNCIL

HELD AT 7.00 P.M. ON WEDNESDAY, 8 MAY 2024

COUNCIL CHAMBER - TOWN HALL, WHITECHAPEL

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Amy Lee and Councillor Asma Begum.

Councillor Asma Begum and Councillor Ayas Miah joined the meeting online.

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS AND OTHER INTERESTS

Cllr Marc Francis and Cllr Rachel Blake declared a Non-Registerable Interest in Agenda Item 12.1 (Motion on Tower Hamlets – a Go To Borough) in that the matter under discussion affected a body they had registered as a Disclosable Pecuniary Interest.

3. MINUTES

DECISION

1. Agreed that the minutes of the ordinary Council meeting of 24th January 2024, the Budget meeting minutes of 28th February 2024 and the extraordinary meeting minutes of 20th March 2024 be approved as a correct record of the proceedings and the Speaker was authorised to sign them 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

5.1 Petition to Defend Free Speech and Democracy

Alex Owolade and Shanaz Akhtar Chowdhury presented their petition relating to defending Free Speech and Democracy. Mr Owolade said many people in the community had concerns relating to the government's Prevent programme. He said the Prevent programme targeted the Muslim community and was an Islamophobic policy which restricted free speech. He said this

had become more acute due to the on-going war in Palestine. He said there had been incidents where innocent comments have been misconstrued, resulting in harsh action under the prevent programme.

He asked the Mayor of Tower Hamlets to meet with local community groups so they could share their experience with Prevent and for Tower Hamlets to make a stand against the Prevent policy.

Members asked questions of the petitioner before Councillor Abu Talha Chowdhury, Cabinet Member for Safer Communities responded to matters raised in the petition.

DECISION:

1. That the petition be referred to the Corporate Director for Communities for a written response within 28 days.

(Action by: Simon Baxter, Corporate Director for Communities)

6. MAYOR'S REPORT

Mayor Lutfur Rahman presented his report to the Council.

The Opposition Group Leader, Councillor Sirajul Islam then responded briefly to the Mayor's report.

Mayor Rahman provided concluding remarks.

7. ADMINISTRATION MOTION DEBATE

MOTION ON A PROGRESSIVE COUNCIL: TWO YEARS OF TRANSFORMATION AND RECOVERY

Council considered a motion as printed in the tabled agenda on the Council being a progressive council: two years of transformation and recovery that had been moved by Councillor Saied Ahmed and seconded by Councillor Maium Talukdar.

Following debate, the tabled motion moved by Councillor Saied Ahmed was put to the vote and was **agreed**.

DECISION

This council notes:

- That two years have passed since the re-election of Mayor Lutfur Rahman and the *Aspire* group.
- That these two years have seen huge levels of investment – not only financially, but also of time; energy; and dedication – to ensure that the Council could begin to deliver services and governance worthy of the residents of Tower Hamlets.

- That upon returning to Office, the Mayor and his Councillors inherited a Council which was financially unstable – with six years of accounts unsigned; £20million of missed savings targets; millions of pounds lent to neighbouring authorities during the COVID-19 and cost-of-living crises; unpaid VAT receipts of over £1million over six years; £11million of unreconciled adult social care payments with significant risk or duplication; spiralling costs to complete the new Town Hall; and grants awarded through single-applicant processes. There were also governance issues – with five years of unsigned *Annual Governance Statements*; one-year budget-setting processes; struggling statutory services, reflected in failed Ofsted and Youth Justice reports; rising crime and community safety issues; and a string of interim Corporate Directors in statutory positions, including the Section 151.
- That public services significantly reduced with minimal resources expended to develop a thriving and accessible network of delivery. Instead, reserves were increased, all while the services available to residents were allowed to decline and – in some cases – disappear completely.
- That the introduction of the controversial Fire and Hire Policy by the previous Administration led to a palpable loss of staff morale, likely to be the lowest ever given the 90% support for a strike when Unison held a ballot. The introduction of inferior contracts through the *TOWER* rewards scheme contributed to a negative impact on workforce. This was reflected in a council-wide strike, involving national Trade Union leaders.
- That this was compounded in our view by a disconnect between the Mayor's Office and the then-Corporate Leadership Team, allowing a 'two-council culture' to develop, hindering service delivery and strategic clarity in the process.
- That at the earliest possible opportunity – Full Council July 2022 – this administration called for a 'Council-wide' audit to identify the failings that had been hindering delivery; good governance; and fiscal prudence over the previous seven years.

This council believes:

- That the radical measures taken by the current Administration, to reinvest in key services and clean up bad governance and financial practice across the Council, has led to a recovery and reinvigoration of service delivery and performance across the Authority.
- That, through the holistic transformation of how the Council sets its budgets – underpinned by a three-year MTFS strategy and regular financial health checks – residents can now access a range of services that have been funded sustainably, allowing for their sustainability and delivery into the future.

- That the reintroduction and reinvigoration of such key services as the Education Maintenance Allowance; University Bursaries; Free School Meals for all students up to the age of 16; £10million investment to support residents through the cost of living crisis; a universal freeze for all residents in the first year and as per the Aspire Manifesto a continuing freeze for the poorest to protect low and middle earners; additional investment in the Youth Service receiving nearly £11million extra a year; strengthened community safety, through the recruitment of 42 additional Tower Hamlets Enforcement Officers, enveloped funds for extra police officers and new CCTV infrastructure; reconnecting and listening to residents through the reopening of 5 residents hubs across the borough; improving residents health and wellbeing through the insourcing of the Council's leisure services, ensuring that no resident is left behind; protecting the environment through the planting of thousands of new trees, the retrofitting of Council buildings with green technology and through the installation of over a thousand Electric Vehicle charging points, with more to come; and a revitalised and resourced Waste Service, has slowly seen the Council and borough return from years of cuts and neglect to a position of delivery and resident satisfaction.
- That this progress and ambition was identified and commended in the recent LGA Corporate Peer Review. The Council has also won awards for its Town Hall; Free School Meals service; as well as being nominated for nine other parliamentary and national awards.
- That the strides taken to redress and resolve the financial and governance issues inherited from the previous administration – facilitated by a new one-council culture where the Mayor and Corporate Management Team work together to solve issues – has ensured that the financial and operational health of the Council has been drastically improved.
- That this is reflected in a transformative and sustainable MTFS programme; a clean and audited set of accounts; up-to-date *Annual Governance Statements*; repaid outstanding VAT receipts; well-run and improved performance in key statutory services; and an ongoing council-wide restructuring to further strengthen and improve good governance and performance across the organisation.
- That the improvements made are looking to make Tower Hamlets one of the best run and ambitious Local Authorities, not only in London, but in the entire country.

This council resolves:

- To continue to support the Best Value Inspectors in their examination of the Council, and to offer to share best practice for other authorities looking to implement similar improvements.

- To continue to work with and implement the findings of the LGA Corporate Peer Review.
- To constantly undergo self-examination and evaluation, identifying ways in which it can improve while continuing to deliver for the people who matter most, the residents.
- To continue to strive for excellence across the council's services, and look beyond the next two years to the future, to ensure that such delivery can be sustained for future generations.

8. OPPOSITION MOTION DEBATE

MOTION ON: BEST VALUE INSPECTIONS

Council considered a motion as printed in the tabled papers on the best Value Inspections that had been moved by Councillor Marc Francis and seconded by Councillor Sirajul Islam.

Council also considered the amendment proposed by Councillor Saied Ahmed and seconded by Councillor Kabir Ahmed as set out in the tabled papers.

Additions Underlined
Deletions ~~Struckthrough~~

This Council notes:

- April 2024 marks the 10th anniversary of the Government's decision to instruct PwC to undertake a 'best value inspection' of Tower Hamlets Council during Lutfur Rahman's first term as Executive Mayor;
- Despite opposition from Mayor Lutfur Rahman and Tower Hamlets Council corporately to this audit, PwC concluded that Tower Hamlets Council was failing to comply with its best value duty which the government considered amounted to serious irregularity in the allocation of some grants and the disposal of some council-owned assets, as well as noting the allegations of possible fraudulent payments in the Youth Services Team that were subject to a separate police investigation; The police found no case to answer.
- As a result of these findings, in December 2014, the former Secretary of State issued directions for independent Commissioners to be sent into Tower Hamlets Council to oversee the award of grants, the sale of assets, publicity and subsequently further directions were issued requiring the appointment of a permanent Chief Executive.
- In April 2015, following Mayor Lutfur Rahman's removal from office, the former Secretary of State issued further directions which gave the independent Commissioners the powers 'to ensure that there is effective financial management safeguarding the assets and financial

integrity of the Authority' which amounted to the power to intervene in all significant financial transactions by the authority.

- Independent Commissioners finally ended their role in 2018 after Tower Hamlets Council we believe that under former Mayor John Biggs' leadership demonstrated significant progress in all the areas in which concerns had been raised by PwC and the Secretary of State; yet it was discovered in 2022, that there were still many significant and easily identifiable issues in these areas, including six years of unsigned Council accounts and five years of unpublished annual governance statements.
- Mayor Lutfur Rahman and Tower Hamlets First / Aspire Councillors have never publicly apologised to the people of Tower Hamlets for the issues revealed by the PwC audit;
- In December 2023 a local government peer review report identified some positives about Tower Hamlets Council since Lutfur Rahman's re-election as Executive Mayor, and whilst noting that considerable staff churn at senior managerial level is not uncommon following a change of political and managerial leadership it was important the council now reaches a more settled state. It also highlighted concerns about the lack of women's voices in decision making and referenced a 'Two Council Culture' that impacted on the speed of decision making.
- As the LGA stated "Fuelling the two-council culture is an evident lack of trust from some members and officers (although it should be noted that this is not at front line level). This, if not addressed, could undermine the further delivery of the Mayor's priorities as well as impacting on the effective operation of a number of the council's business-as-usual functions. This mistrust between members and officers, whilst it is not uniform, is problematic and all involved need to communicate in a more open and collaborative fashion with clear and established pathways for decision making."
- In December 2023, Tower Hamlets Council published an 'action plan' in response to the LGA Peer Review Team's concerns without having spoken to opposition councillors about its content, and which will not properly address concerns about governance raised; which we believe wasn't the case
- At a Cabinet meeting in January 2024, the Mayor claimed that the LGA Peer Review Team's criticisms were actually about the governing culture under former Mayor John Biggs, which wasn't the case;
- On 22nd February 2024, the Minister of State for Local Government announced that he was instructing an independent team led by former Chief Executive of Newham Council Kim Bromley-Derry CBE DL to undertake a further 'best value inspection' of Tower Hamlets Council

with immediate effect, including of its leadership, governance, organisational culture and use of resources;

- The inspection team has been specifically asked to look at the strengths and weaknesses of the audit and scrutiny functions, the appointment to senior management posts; the expansion of the Mayor's Office and use of advisors; policy and practice in grant-making and *"the use of resources for elections and the maintenance of the independence of the Returning Officer"*.

This Council believes;

- It should be a concern for Mayor Lutfur Rahman and the 24 Aspire Party councillors that the manner in which they lead Tower Hamlets Council means it is again subject to an independent 'best value inspection' under their political leadership; despite significant, demonstrable improvements in the Council's finances, governance, and performance, including the signing off of these outstanding six years of accounts, and the publication of all five outstanding annual governance statements.
- There is now a serious risk that the Secretary of State will again decide to send Commissioners in to oversee spending, sales of assets, governance and the forthcoming elections, including the General Election and the 2026 local elections;
- Having Commissioners run Tower Hamlets Council again is not in the interest of our residents as it takes decision-making out of the hands of democratically-elected members;
- The person best placed to stop Commissioners being sent in is Mayor Lutfur Rahman, through making a fundamental change in the manner in which he leads Tower Hamlets Council.

This Council resolves:

- To call on Mayor Lutfur Rahman to reduce the number of advisors and consultants in the Mayor's Office and remove any media/communications staff from its line-management;
- To call on the Chief Executive to consult with opposition councillors on the actions needed to give confidence to the public that there will be a significant enhancement of the scrutiny and audit functions, including acting on the LGA Peer Review Team's recommendation that the Audit Committee and Overview & Scrutiny Committee should be chaired by Opposition councillors;

- To call on Mayor Lutfur Rahman and the Chief Executive to continue to fully and immediately comply with any requests for information from the 'best value inspection' team;
- To call on the Monitoring Officer to ensure there is full transparency in political decision-making, including by providing elected members with the legal advice obtained at the request of Mayor Lutfur Rahman in relation to his powers in 2022 and 2023;
- To call on the Chief Executive to continue with ~~commence~~ an open and independent process for making appointments to the Women's Commission which is being established to address the absence of female voices in decision-making by Mayor Lutfur Rahman and his Cabinet.

Following debate, the amendment moved by Councillor Saied Ahmed was put to the vote and was **agreed**.

The motion as amended by Councillor Saied Ahmed was put to the vote and was **agreed**.

DECISION

This Council notes:

- April 2024 marks the 10th anniversary of the Government's decision to instruct PwC to undertake a 'best value inspection' of Tower Hamlets Council during Lutfur Rahman's first term as Executive Mayor;
- Despite opposition from Mayor Lutfur Rahman and Tower Hamlets Council corporately to this audit, PwC concluded that Tower Hamlets Council was failing to comply with its best value duty which the government considered amounted to serious irregularity in the allocation of some grants and the disposal of some council-owned assets, as well as noting the allegations of possible fraudulent payments in the Youth Services Team that were subject to a separate police investigation; The police found no case to answer.
- As a result of these findings, in December 2014, the former Secretary of State issued directions for independent Commissioners to be sent into Tower Hamlets Council to oversee the award of grants, the sale of assets, publicity and subsequently further directions were issued requiring the appointment of a permanent Chief Executive.
- In April 2015, following Mayor Lutfur Rahman's removal from office, the former Secretary of State issued further directions which gave the independent Commissioners the powers 'to ensure that there is effective financial management safeguarding the assets and financial integrity of the Authority' which amounted to the power to intervene in all significant financial transactions by the authority.

- Independent Commissioners finally ended their role in 2018 after Tower Hamlets Council we believe that under former Mayor John Biggs' leadership demonstrated significant progress in all the areas in which concerns had been raised by PwC and the Secretary of State; yet it was discovered in 2022, that there were still many significant and easily identifiable issues in these areas, including six years of unsigned Council accounts and five years of unpublished annual governance statements.
- Mayor Lutfur Rahman and Tower Hamlets First / Aspire Councillors have never publicly apologised to the people of Tower Hamlets for the issues revealed by the PwC audit;
- In December 2023 a local government peer review report identified some positives about Tower Hamlets Council since Lutfur Rahman's re-election as Executive Mayor, and whilst noting that considerable staff churn at senior managerial level is not uncommon following a change of political and managerial leadership it was important the council now reaches a more settled state. It also highlighted concerns about the lack of women's voices in decision making and referenced a 'Two Council Culture' that impacted on the speed of decision making.
- As the LGA stated "Fuelling the two-council culture is an evident lack of trust from some members and officers (although it should be noted that this is not at front line level). This, if not addressed, could undermine the further delivery of the Mayor's priorities as well as impacting on the effective operation of a number of the council's business-as-usual functions. This mistrust between members and officers, whilst it is not uniform, is problematic and all involved need to communicate in a more open and collaborative fashion with clear and established pathways for decision making."
- In December 2023, Tower Hamlets Council published an 'action plan' in response to the LGA Peer Review Team's concerns without having spoken to opposition councillors about its content, and which will not properly address concerns about governance raised; which we believe wasn't the case
- At a Cabinet meeting in January 2024, the Mayor claimed that the LGA Peer Review Team's criticisms were actually about the governing culture under former Mayor John Biggs, which wasn't the case;
- On 22nd February 2024, the Minister of State for Local Government announced that he was instructing an independent team led by former Chief Executive of Newham Council Kim Bromley-Derry CBE DL to undertake a further 'best value inspection' of Tower Hamlets Council with immediate effect, including of its leadership, governance, organisational culture and use of resources;

- The inspection team has been specifically asked to look at the strengths and weaknesses of the audit and scrutiny functions, the appointment to senior management posts; the expansion of the Mayor's Office and use of advisors; policy and practice in grant-making and *"the use of resources for elections and the maintenance of the independence of the Returning Officer"*.

This Council believes;

- It should be a concern for Mayor Lutfur Rahman and the 24 Aspire Party councillors that the manner in which they lead Tower Hamlets Council means it is again subject to an independent 'best value inspection' under their political leadership; despite significant, demonstrable improvements in the Council's finances, governance, and performance, including the signing off of these outstanding six years of accounts, and the publication of all five outstanding annual governance statements.
- There is now a serious risk that the Secretary of State will again decide to send Commissioners in to oversee spending, sales of assets, governance and the forthcoming elections, including the General Election and the 2026 local elections;
- Having Commissioners run Tower Hamlets Council again is not in the interest of our residents as it takes decision-making out of the hands of democratically-elected members;
- The person best placed to stop Commissioners being sent in is Mayor Lutfur Rahman, through making a fundamental change in the manner in which he leads Tower Hamlets Council.

This Council resolves:

- To call on Mayor Lutfur Rahman to reduce the number of advisors and consultants in the Mayor's Office and remove any media/communications staff from its line-management;
- To call on the Chief Executive to consult with opposition councillors on the actions needed to give confidence to the public that there will be a significant enhancement of the scrutiny and audit functions, including acting on the LGA Peer Review Team's recommendation that the Audit Committee and Overview & Scrutiny Committee should be chaired by Opposition councillors;
- To call on Mayor Lutfur Rahman and the Chief Executive to continue to fully and immediately comply with any requests for information from the 'best value inspection' team;

- To call on the Monitoring Officer to ensure there is full transparency in political decision-making, including by providing elected members with the legal advice obtained at the request of Mayor Lutfur Rahman in relation to his powers in 2022 and 2023;
- To call on the Chief Executive to continue with an open and independent process for making appointments to the Women's Commission which is being established to address the absence of female voices in decision-making by Mayor Lutfur Rahman and his Cabinet.

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

There were no executive or committee reports for Council to consider at the meeting.

10. OTHER BUSINESS

There was no other business for Council to consider at the meeting.

11. TO RECEIVE WRITTEN QUESTIONS FROM MEMBERS OF THE COUNCIL

The following questions and in each case supplementary questions were put (except where indicated) and were responded to by the Mayor or relevant Executive Member.

- 11.1 Question from Councillor Kamrul Hussain regarding the Council's accounts. A supplemental question was asked.
- 11.2 Question from Councillor Mufedah Bustin about football pitches. A supplemental question was asked.
- 11.3 Question from Councillor Musthak Ahmed regarding The LGA Peer Review. A supplemental question was asked.
- 11.4 Question from Councillor Asma Islam about the Peabody Housing Association. A supplemental question was asked.
- 11.5 Question from Councillor Shafi Ahmed regarding legal costs accrued in a court case. No supplemental question was asked.
- 11.6 Question from Councillor Amy Lee was not asked as she was absent from the meeting.
- 11.7 Question from Councillor Bodrul Choudhury about Rich Mix. A supplemental question was asked.
- 11.8 Question from Asma Begum was not asked as she was on present in the chamber to ask the question.

- 11.9 Question from Councillor Harun Miah about Community Safety. No supplemental question was asked.
- 11.10 Question from Councillor Rebakah Sultana about the Women's Commission. No supplemental question was asked.
- 11.11 Question from Councillor Ahmodur Khan about the insourcing of Leisure services. A supplemental question was asked.
- 11.12 Question from Councillor Shubo Hussain about Leisure Services. A supplemental question was asked.
- 11.13 Question from Councillor Abdul Malik about the Local Plan consultation. No supplemental question was asked.
- 11.14 Question from Councillor James King about vandalism and anti-social behaviour. A supplemental question was asked.

Questions 11.15 to 11.23 were not put due to lack of time.

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

12. TO CONSIDER MOTIONS SUBMITTED BY MEMBERS OF THE COUNCIL

12.1 Motion on Tower Hamlets – A Go-To Borough

Council considered a motion as printed in the agenda on Tower Hamlets – A Go-to Borough that had been moved by Councillor Abu Talha Chowdhury and seconded by Councillor Kabir Ahmed.

Following debate, the motion moved by Councillor Abu Talha Chowdhury was put to the vote and was unanimously **agreed**.

DECISION

This Council notes:

- The overwhelmingly positive role that the cooperation and coexistence communities in our borough has played in the identity, spirit and development of Tower Hamlets.
- The integral and invaluable role that migrants, refugees, and asylum-seeking peoples have played in shaping the history and culture of Tower Hamlets.
- That those fleeing tyranny, oppression and war – whether they Jewish communities; Huguenots; the Irish, Caribbean, Bangladeshi, and Southeast Asian communities; or Somali communities and many others

– have always been welcomed into this Borough, enriched our community, and thrived.

- That the contribution of these communities to the cultural, political, social and economic fabric of the Borough have changed its identity for the better.
- That in Tower Hamlets, we enjoy very strong community cohesion, with many
- different groups living side by side. Our Annual Residents Survey found that 87% of residents said that Tower Hamlets is a place where people from different backgrounds get on well together.
- That these communities have stood together and fought against racism and hatred in every generation: from the Irish, Jewish and working-class cockneys who stood bravely against the fascist Blackshirts in the 1930s; to the Caribbean community that fought against racism in the 50s and 60s; the Bangladeshi and South East Asian community – including the Mayor and many members from across the chamber – who faced down the National Front in the 70s and 80s; and the broad coalition of communities that expelled the EDL in the 2010s.
- That from Wapping to Whitechapel; Bow to Bethnal Green; and Canary Wharf to Limehouse, these communities have made all areas of Tower Hamlets a ‘go-to’ place to be. Through art; cuisine; community projects; history; and the mixing and sharing of cultures, this borough exemplifies the best of London, and is a shining example of how diversity and respect brings out the best of residents and their areas.

This Council believes:

- That recent comments about our borough – underpinned by ignorance; Islamophobia; and division – could not be further from the truth.
- Tower Hamlets has and should always be a borough where the poor, the tired, the oppressed, and the hungry can come and know they will be welcomed and treated with dignity and respect.
- That our borough’s diversity and openness represents the best of humanity, and demonstrates that tolerance, respect, and understanding will always produce caring and cooperative places for people to live.
- That regardless of religion, skin colour, sexual orientation, gender, or belief system, Tower Hamlets will always be a safe place for all its residents.

This Council resolves:

- To produce an exhibition showcasing the rich history of diversity, integration and migration to Tower Hamlets, to be showcased in the new Town Hall.
- To invite any individual from Westminster especially those in any doubt to see the positive benefits of this migration and diversity of cultures to come for a tour of Tower Hamlets, to see first-hand the real values that underpin our borough.
- To build on the borough's work with organisations that support and protect the poorest, migrants and refugees.
- To work with communities and external stakeholders to develop and enhance its institutional knowledge in protecting and promoting refugees and asylum-seeking people, strengthen our social inclusion work to build links with marginalised communities, building on the good work of the existing Refugee and Families teams, and to ensure that these new communities can feel as accepted and integrated into the cultural and social fabric of our borough as the scores that preceded them.
- To work with boroughs and authorities across London and the country to protect migrants, refugees, and asylum-seeking people from hostile environments.
- That this administration and Council will continue to promote inclusivity; cooperation; and respect between and amongst all its communities and will always stand up against any division or attacks on our borough.
- To officially state its wish to be designated a 'Borough of Sanctuary' – cementing its commitment to inclusivity, tolerance, and dignity for all people.

The meeting ended at 10.14 p.m.