

## LONDON BOROUGH OF TOWER HAMLETS

## RECORD OF THE DECISIONS OF THE CABINET

HELD AT 5.38 P.M. ON WEDNESDAY, 8 JANUARY 2014

COMMITTEE ROOM, 1ST FLOOR, TOWN HALL, MULBERRY PLACE, 5 CLOVE  
CRESCENT, LONDON, E14 2BG**Members Present:**

Mayor Lutfur Rahman	(Mayor)
Councillor Ohid Ahmed	(Deputy Mayor)
Councillor Rofique U Ahmed	(Cabinet Member for Regeneration)
Councillor Shahed Ali	(Cabinet Member for Environment)
Councillor Abdul Asad	(Cabinet Member for Health and Wellbeing)
Councillor Alibor Choudhury	(Cabinet Member for Resources)
Councillor Shafiqul Haque	(Cabinet Member for Jobs and Skills)
Councillor Rabina Khan	(Cabinet Member for Housing)

**Other Councillors Present:**

Councillor Kabir Ahmed	(Executive Advisor to the Mayor and Cabinet)
Councillor Stephanie Eaton	
Councillor Ann Jackson	
Councillor Gulam Robbani	(Executive Advisor to the Cabinet and Mayor on Adult Social Care)
Councillor Motin Uz-Zaman	(Chair, Overview & Scrutiny Committee)
Councillor Marc Francis	

**Officers Present:**

Zamil Ahmed	(Senior Procurement Manager, Category and Contract Management)
Katherine Ball	(Senior Accountant, Development & Renewal)
Robin Beattie	(Service Head, Strategy & Resources & Olympic Impact, Communities Localities & Culture)
Dave Clark	(Acting Service Head Resources, Development and Renewal)
Aman Dalvi	(Corporate Director, Development & Renewal)
Ben Gadsby	(Political Adviser to the Conservative Group)
David Galpin	(Head of Legal Services (Community), Legal Services, Chief Executive's)
Stephen Halsey	(Head of Paid Service and Corporate Director Communities, Localities & Culture)
Everett Haughton	(Third Sector Programmes Manager, Third Sector Team, Development and Renewal)
Chris Holme	(Acting Corporate Director - Resources)
Kevin Kewin	(Service Manager, Strategy & Performance, Chief Executive's)
Ellie Kuper-Thomas	(Strategy, Policy and Performance Officer -

	Executive Mayor's Office, One Tower Hamlets, Chief Executive's)
Paul Leeson	(Finance Manager, Development & Renewal)
Robert McCulloch-Graham	(Corporate Director, Education Social Care and Wellbeing)
Murziline Parchment	(Head of Executive Mayor's Office, Democratic Services, Chief Executive's)
Takki Sulaiman	(Service Head Communications, Chief Executive's)
Matthew Mannion	(Committee Services Manager, Democratic Services, Chief Executive's)

The following is a record of those decisions taken by the Cabinet at their meeting held on Wednesday 8 January 2014.

**Most decisions may be 'called in'** for scrutiny by the Overview and Scrutiny Committee to be held on **Tuesday 4 February 2014** on receipt of a written request. The **deadline** for the receipt of any such written request is **5.00pm on Friday 17 January 2014**. Such requests should be made to John Williams, Service Head Democratic Services.

**The request to "call in" a decision must comply with the requirements set out in the Council's Constitution** (Part 4 – Rules of Procedure, Section 4.5 – Overview and Scrutiny Procedure Rules, Rules 16.2 - 16.4). These set out the time-scale for "call in", those persons who may "call in", the details the request must contain and which decisions may not be called-in.

Report authors will be advised by Democratic Services if any decision in respect of an item they have placed on the agenda has been "called in".

**Any decision not "called in" for scrutiny can be implemented on Monday 20 January 2014.**

**Any decision 'called in' for scrutiny but supported by the Overview and Scrutiny Committee**, at its meeting on Tuesday 4 February 2014, **can be implemented** the following day, **Wednesday 5 February 2014**.

**Any decision 'called in' for scrutiny but not supported by the Overview and Scrutiny Committee**, at its meeting on Tuesday 4 February 2014, will be **referred back to the Mayor in Cabinet** for further consideration on **Wednesday 5 February 2014**.

**Note – agenda order**

During the meeting the Mayor agreed to vary the order of business. To aid clarity, the Decision Sheet is presented in the order that the items originally appeared on the agenda.

**MR L. RAHMAN (MAYOR) IN THE CHAIR**

**1. APOLOGIES FOR ABSENCE**

Apologies for absence were received on behalf of:

- Councillor Rania Khan (Cabinet Member for Culture)
- Councillor Oliur Rahman (Cabinet Member for Children's Services)

**Action by:**

**SERVICE HEAD, DEMOCRATIC SERVICES (JS. WILLIAMS)**

(Committee Services Manager (M. Mannion))

**2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS**

None were declared.

**3. UNRESTRICTED MINUTES**

The unrestricted minutes of the Cabinet meeting held on 4 December 2013 were noted.

**Action by:**

**SERVICE HEAD DEMOCRATIC SERVICES (JS. WILLIAMS)**

(Committee Services Manager (M. Mannion))

**4. PETITIONS**

Nil items.

**5. OVERVIEW & SCRUTINY COMMITTEE**

**5.1 Chair's Advice of Key Issues or Questions in Relation to Unrestricted Business to be Considered**

Nil items.

**Reasons for the decision**

**Alternative options**

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

Nil items.

**Reasons for the decision**

**Alternative options**

**6. A GREAT PLACE TO LIVE**

**6.1 Housing Revenue Account First Budget and Rent Setting Report - 2014/15**

**DECISION**

1. To agree that the Authority will continue to follow current rent restructuring policy, and that therefore, based on the September 2013 RPI (retail price index) figure of 3.2%, the average 2014/15 weekly rent increase for tenanted Council dwellings will be £5.04, and the average weekly tenanted service charge increase will be £0.36 from the first rent week in April 2014.
2. To note that the Housing Revenue Account (HRA) budget will be presented to Cabinet for approval in February 2014.

**Action by:**

**CORPORATE DIRECTOR DEVELOPMENT AND RENEWAL (A. DALVI)**

(Senior Accountant (K. Ball)

(Finance Manager (P. Leeson)

**Reasons for the decision**

The Council must prepare proposals in January and February each year relating to income from rents and other charges, and expenditure in relation to management and maintenance of its housing stock. A decision is required with regard to rents and service charges in January in order that statutory notice can be given to tenants prior to 1st April implementation.

**Alternative options**

Under HRA Self-Financing, the Council is not obliged to follow national rent policy, but any rent increase below that assumed in the HRA financial model would put at risk the Council's ability to fund the future capital programme. Mayor and Cabinet can determine to increase rents either above or below that

recommended; the financial consequences of either decision are set out in section 4.5 of this report.

**7. A PROSPEROUS COMMUNITY**

Nil items.

**8. A SAFE AND COHESIVE COMMUNITY**

Nil items.

**9. A HEALTHY AND SUPPORTIVE COMMUNITY**

Nil items.

**10. ONE TOWER HAMLETS**

**10.1 Strategic Performance, 13/14 General Fund Revenue Budget and Capital Programme Monitoring Q2**

**DECISION**

1. To review and note the Quarter 2 2013/14 performance; and
2. To note the Council's financial position as detailed in section 4 and Appendices 1-3 of this report.

**Action by:**

**CORPORATE DIRECTOR RESOURCES**

(Service Head, Corporate Strategy and Equality (L. Russell)

(Chief Accountant (K. Miles)

(Service Manager, Strategy, Policy and Performance (K. Kewin)

**Reasons for the decision**

Good financial practice requires that regular reports be submitted to Council/Committee setting out the financial position of the Council against budget, and its service performance against targets

The regular reporting of the Strategic Performance and Corporate Revenue and Capital Budget Monitoring should assist in ensuring that Members are able to scrutinise officer decisions.

**Alternative options**

The Council reports its quarterly budget against spend, its capital monitoring and its Strategic Performance.

Significant variations, trends and corrective action are reported in the body and appendices of the report. No alternative action is considered necessary beyond that included below and this report is produced to ensure that Members are kept informed about decisions made under the delegated authority.

**10.2 Contract Forward Plan Q4****DECISION**

1. To approve that all the contracts set out in Appendix 1 can go to tender.
2. That the Corporate Director for the service has delegated power to award the contracts subject to consultation with the Mayor and the relevant lead member and a Head of Legal Services.
3. To authorise a Head of Legal Services to execute all necessary contract documents in respect of the awards of contracts referred to at recommendation 1 above.

**Action by:****ACTING CORPORATE DIRECTOR RESOURCES (C. HOLME)**

(Senior Procurement Manager (Z. Ahmed))

**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 £250,000, and any contract for capital works with an estimated value exceeding £5,000,000, shall be approved by the Cabinet in accordance with the Procurement Procedures". This report fulfils these requirements for contracts to be let during and after the period Q4 of the 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.

### 10.3 Voluntary and Community Sector Strategy

The Mayor noted the amendment tabled at the meeting.

#### **DECISION**

1. To note the aim and objectives of the Strategy.
2. To note the detail of the Strategy including the process of developing annual action plans in order to deliver and achieve agreed vision and objectives.
3. To agree the Strategy on behalf of the Council, with the additional words tabled at the meeting, noting that it has been developed and is to be delivered as a Partnership initiative.

#### **Action by:**

#### **CORPORATE DIRECTOR DEVELOPMENT AND RENEWAL**

(Acting Service Head Resources (D. Clark))

#### **Reasons for the decision**

To enable the strategy to be formally used as the Council's guide to working with the local Voluntary and Community Sector as one of the key approaches to improving the life of local people.

To approve the adoption of the strategy as a Tower Hamlets Partnership initiative.

To enable the strategy to be presented to the Tower Hamlets Partnership with the endorsement of the Council.

#### **Alternative options**

The Strategy could be approved as a Council Strategy but with an aspiration to deliver activities in partnership with local Voluntary and Community Sector Organisations and other statutory partners.

### 10.4 Fees and Charges 2014/15

The Mayor noted the amendment tabled in the supplementary agenda and agreed the reasons for urgency as stated in the original report and the supplementary report.

#### **DECISION**

Chief Executives

1. To approve the revised fees and charges as set out in Appendix 1 in the supplementary agenda with effect from 1st April 2014 or at the earliest opportunity.

#### Communities, Localities and Culture

2. To approve the revised fees and charges as set out in Appendix 2 with effect from 1st April 2014 or at the earliest opportunity.

#### Development and Renewal

3. To approve the revised fees and charges as set out in Appendix 3 with effect from 1st April 2014 or at the earliest opportunity.

#### Education, Social Care and Welfare

4. To approve the revised fees and charges as set out in Appendix 4 with effect from 1st April 2014 or at the earliest opportunity.

#### Licencing Charges

5. To agree in principle the Licensing charges in Appendix 6 and refer to the Licensing Committee for final approval.

#### **Action by:**

**ACTING CORPORATE DIRECTOR, RESOURCES (C. HOLME)**

#### **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 represents good practice in terms of the Council's aim to provide value for money.

#### **Alternative options**

Whilst the changes to fees and charges recommended in the report follow a review of existing charges by each directorate, other alternatives can be adopted by Members. The financial impact of any alternatives will need to be reflected in the Council's Medium Term Financial Plan (MTFP).

## **10.5 Council Tax Base Report and Technical Changes**

### **DECISION**

1. To approve, in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992, that the amount calculated by the



London Borough of Tower Hamlets as its Council Tax Base for the year 2014/15 shall be 74,979.

**Action by:**

**ACTING CORPORATE DIRECTOR, RESOURCES (C. HOLME)**

**Reasons for the decision**

The scheme for calculation of council tax established under the Local Government Finance Act 1992 requires local authorities to agree their Council Tax Base and to notify it to the preceptors (GLA) by 31st January 2014.

If the tax base is not agreed and notified to the Preceptor by 31st January 2014, this may prejudice the calculation of Council Tax for 2014/15.

**Alternative options**

The recommendations contained within this report are made in line with the statutory requirements outlined in sections 3.1 and 3.2 of this report; therefore the Council is not presented with alternative options is setting it's Council Tax Base.

**10.6 Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2014-15**

**DECISION**

1. To Recommend that Full Council adopt:
  - a. The Treasury Management Strategy Statement set out in sections 6-11 of this report.
  - b. The Annual Investment Strategy set out in section 12 of this report.
  - c. The Minimum Revenue Provision Policy Statement set out in section 13 of this report, which officers involved in treasury management must then follow.
2. To delegate to the Interim Corporate Director of Resources, after consultation with the Lead Member for Resources, authority to vary the figures in this report to reflect any decisions made in relation to the Capital Programme prior to submission to Budget Council.

**Action by:**

**ACTING CORPORATE DIRECTOR, RESOURCES (C. HOLME)**

**Reasons for the decision**

It is consistent with the requirements of treasury management specified by CIPFA, to which the Council is required to have regard under the Local Government Act 2003 and regulations made under that Act, for the Council to produce three strategy statements to support the Prudential Indicators which ensure that the Council's capital investment plans are affordable, sustainable and prudent. The three documents that the Council should produce are:

- Treasury Management Strategy, including prudential indicators
- Investment Strategy
- Minimum Revenue Provision Policy Statement

**Alternative options**

The Council is bound by legislation to have regard to the CIPFA requirements for treasury management. If the Council were to deviate from those requirements, there would need to be some good reason for doing so. It is not considered that there is any such reason, having regard to the need to ensure that the Council's capital investment plans are affordable, sustainable and prudent.

The strategies and policy statement put forward in the report are considered the best methods of achieving the CIPFA requirements. Whilst it may be possible to adopt variations of the strategies and policy statement, this would risk failing to achieve the goals of affordability, sustainability and prudence.

**10.7 General Fund Capital and Revenue Budgets and Medium Term Financial Plan 2014-2017**

The Mayor agreed the reasons for urgency as set out in the report.

**DECISION**

1. To agree a General Fund Revenue Budget of £294.663m together with the Outline Strategic Plan identifying the key priority activities which will be delivered within this budget and which will be further developed into the Council's Strategic Plan for 2014/2015.
2. To accept the Council Tax Free Grant available from the Department of Communities and Local Government for 2014/2015 and thereby agree to continue to freeze Council Tax (Band D) at £885.52 for the new financial year.
3. To agree to propose the items listed below for public consultation and consideration by the Overview & Scrutiny Committee in accordance with the Budget and Policy Framework (Section 16). A further report will then be submitted to the next Cabinet meeting in February detailing the results of consultations and inviting the Cabinet to recommend a Budget Requirement and Council Tax for 2014-15 to Full Council.

4. To agree to conduct the Budget consultation in line with Section 16 in the body of the report.
5. To consider and comment on the following matters -

**a. Budget Consultation**

The approach to the budget consultation with the community and Overview and Scrutiny Committee.

**b. Funding**

The funding available for 2014-2015 and the indications and forecasts for future years set out in Section 8.

**c. Base Budget 2014-2015**

The Base Budget for 2014-2015 as £295.732m as detailed in Appendix 1.

**d. Growth and Inflation**

The risks identified from potential inflation and committed growth arising in 2014-2015 and future years and as set out in Section 9 and in Appendix 3.

**e. General Fund Revenue Budget and Medium Term Financial Plan 2014-2015 to 2016-2017**

The initial budget proposal and Council Tax for 2014-2015 together with the Medium Term Financial Plan set out in Appendix 1 and the budget reductions arising.

**f. Savings**

Previously agreed savings items to be included in the budget for 2014-2015 and the strategic approach for future savings to be delivered are set out in Section 10, Appendix 4 and Paragraph 7.12 of the report.

**g. Capital Programme**

The capital programme to 2016-2017, including the proposed revisions to the current programme as set out in section 14 and detailed in Appendix 8 and Adopt a capital estimate to the value of £3.55m to facilitate Decent Homes Works on the Malmesbury Estate as set out in paragraph 14.6.

**h. Dedicated Schools Grant**

The position with regard to Dedicated Schools Grant as set out in Section 12 and Appendix 6.

**i. Housing Revenue Account**

The position with regard to the Housing Revenue Account as set out in Section 13 and Appendix 7.

**j. Financial Risks: Reserves and Contingencies**

Advise on strategic budget risks and opportunities as set out in Section 11 and Appendices 5.1, 5.2 and 5.3.

**k. Reserves and Balances**

The position in relation to reserves as set out in the report and further detailed in Appendices 5.1 and 5.3.

**l. Mayor Priorities**

An initiative to be included in the budget for 2014-15 is set out in Section 8.29 of this report.

**Action by:**

**ACTING CORPORATE DIRECTOR, RESOURCES (C. HOLME)**

**Reasons for the decision**

The Council is under an obligation to set a balanced budget for the forthcoming year and to set a Council Tax for the next financial year by 7th March 2014 at the latest. The setting of the budget is a decision reserved for Council. The Council's Budget and Policy Framework requires that a draft budget is issued for consultation with the Overview & Scrutiny Committee following this meeting to allow for due process.

The announcements that have been made about Government funding for the authority require a robust and timely response to enable a balanced budget to be set.

In deciding its budget, the Council needs to have regard to the key priority activities for delivery as set out in the outline Strategic Plan.

**Alternative options**

The authority is bound to respond to the budget reductions to Government funding of local authorities and to set an affordable Council Tax and a balanced budget, while meeting its duties to provide local services. This limits the options available to Members. Nevertheless, the authority can determine its priorities in terms of the services it seeks to preserve and protect where possible, and to a limited extent the services it aims to improve further, during the period of budget reductions.

**11. ANY OTHER UNRESTRICTED BUSINESS CONSIDERED TO BE URGENT**

Nil items.

**12. UNRESTRICTED REPORTS FOR INFORMATION**

**12.1 Exercise of Corporate Directors' Discretions**

**DECISION**

1. To note the exercise of Corporate Directors' discretions as set out in Appendix 1.

**Action by:**

**ACTING CORPORATE DIRECTOR RESOURCES (C. HOLME)**

**Reasons for the decision**

Financial Regulations requires that regular reports be submitted to Council/Committee setting out financial decisions taken under Financial Regulation B8.

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

**Alternative options**

The Council is bound by its Financial Regulations (which have been approved by Council) to report to Council/Committee setting out financial decisions taken under Financial Regulation B8.

**13. EXCLUSION OF THE PRESS AND PUBLIC**

No motion to exclude the press and public was passed.

**14. EXEMPT / CONFIDENTIAL MINUTES**

Nil items.

**15. OVERVIEW & SCRUTINY COMMITTEE**

**15.1 Chair's Advice of Key Issues or Questions in Relation to Exempt / Confidential Business to be Considered.**

Nil items.

**Reasons for the decision**

**Alternative options**

**15.2 Any Exempt / Confidential Decisions "Called in" by the Overview & Scrutiny Committee**

Nil items.

**Reasons for the decision**

**Alternative options**

**16. A GREAT PLACE TO LIVE**

Nil items.

**17. A PROSPEROUS COMMUNITY**

Nil items.

**18. A SAFE AND COHESIVE COMMUNITY**

Nil items.

**19. A HEALTHY AND SUPPORTIVE COMMUNITY**

Nil items.

**20. ONE TOWER HAMLETS**

Nil items.

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

Nil items.

**22. EXEMPT / CONFIDENTIAL REPORTS FOR INFORMATION**

Nil items.

The meeting ended at 6.49 p.m.

John S Williams  
SERVICE HEAD, DEMOCRATIC SERVICES