

**LONDON BOROUGH OF TOWER HAMLETS**

**RECORD OF THE DECISIONS OF THE CABINET**

**HELD AT 5.35 P.M. ON WEDNESDAY, 7 JANUARY 2015**

**C1, 1ST FLOOR, TOWN HALL, MULBERRY PLACE, 5 CLOVE CRESCENT,  
LONDON, E14 2BG**

**Members Present:**

Mayor Lutfur Rahman	
Councillor Ohid Ahmed	(Cabinet Member for Community Safety)
Councillor Shahed Ali	(Cabinet Member for Clean and Green)
Councillor Abdul Asad	(Cabinet Member for Health and Adult Services)
Councillor Alibor Choudhury	(Cabinet Member for Resources)
Councillor Shafiqul Haque	(Cabinet Member for Culture)
Councillor Rabina Khan	(Cabinet Member for Housing and Development)
Councillor Aminur Khan	(Cabinet Member for Policy, Strategy and Performance)
Councillor Gulam Robbani	(Cabinet Member for Education and Children's Services)

**Other Councillors Present:**

Councillor Mahbub Alam	(Executive Advisor on Adult Social Care)
Councillor Shah Alam	
Councillor Gulam Kibria Choudhury	
Councillor Peter Golds	(Leader of the Conservative Group)
Councillor Harun Miah	
Councillor Md. Maium Miah	
Councillor Mohammed Mufti Miah	
Councillor Muhammad Ansar Mustaquim	
Councillor Andrew Wood	

**Officers Present:**

Katherine Ball	(Senior Accountant, Development & Renewal)
Robin Beattie	(Service Head, Strategy & Resources, Communities Localities & Culture)
Stephen Halsey	(Head of Paid Service and Corporate Director Communities, Localities & Culture)
Ekbal Hussain	(Financial Planning Manager, Chief Executive's and Resources)
Simon Kilbey	(Service Head, Human Resources and Workforce Development)
Ellie Kuper-Thomas	(Strategy, Policy and Performance Officer - Executive Mayor's Office, One Tower Hamlets, DLPG)

Paul Leeson	(Finance Manager, Development & Renewal)
Chris Lovitt	(Associate Director of Public Health)
John McDermott	(Deputy Service Head Media Relations and Analysis)
Jackie Odunoye	(Service Head, Strategy, Regeneration & Sustainability, Development and Renewal)
Brian Snary	Financial Accountant - Resources
Meic Sullivan-Gould	(Interim Monitoring Officer, Legal Services, LPG)
Matthew Mannion	(Committee Services Manager, Democratic Services, LPG)

## 1. APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of:

- Councillor Oliur Rahman, Deputy Mayor and Cabinet Member for Economic Development.
- Chris Holme, Acting Corporate Director, Resources
- Aman Dalvi, Corporate Director, Development and Renewal

## 2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS

None were declared.

## 3. UNRESTRICTED MINUTES

The unrestricted minutes of the Cabinet meeting held on 3 December 2014 were **tabled** for information.

**Action by:**

**SERVICE HEAD, DEMOCRATIC SERVICES (J.S. 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

#### **Pre-Scrutiny Questions in relation to Items on the agenda**

Councillor Joshua Peck, Chair of the Overview and Scrutiny Committee, **tabled** two pre-scrutiny questions in relation to item 6.2 (Rights of Light – City Pride Development and Island Point Development) on the agenda. The Lead Member responded to the questions during consideration of that item.

## **5.2 Any Unrestricted Decisions "Called in" by the Overview & Scrutiny Committee - Reconfiguration of Sexual Health Services**

The Call-In reference report from the Overview and Scrutiny Committee meeting held on Tuesday 7 January 2015 was **tabled**.

### **DECISION**

1. That the original decision taken at Cabinet on 3 December 2014 be confirmed.

## **6. A GREAT PLACE TO LIVE**

### **6.1 Future of Waste Management Services**

This report was withdrawn from the agenda.

### **6.2 Rights of Light - City Pride Development & Island Point Development**

#### **DECISION**

1. To note the risks identified in section 13 of the report.
2. To agree the principle of acquiring the developer's land for planning purposes using S227 powers and disposing of that land to the developer using S233 powers in order to engage S237 powers to enable the development to be carried out.
3. To note the effect of S237 of the TCPA if the Council acquires land for planning purposes.
4. To note the circumstances in which an acquisition may be made for planning purposes.
5. To note the consultation undertaken with affected neighbouring owners and land interests.
6. To note that the use of S237 powers is necessary and proportionate, and that the developer has shown to Council officers, that it has made adequate efforts to reach fair negotiated settlements with affected third parties, and that the developer will continue to do so during the implementation of powers.
7. To agree to enter into agreements with the affected land owners for compensation in respect of rights extinguished under S237 of the TCPA 1990.
8. To agree that the developer should be obliged to apply for consent to the non-material minor amendments summarised in paragraph 10.5 before the Council exercises its S237 powers.

9. To delegate to the Director of Development and Renewal after consultation with the Service Head – Legal Services the powers, to agree the terms of the acquisition and lease and lease back to the developer and to complete the necessary documentation to enable acquisition under S227 of the TCPA 1990 and subsequent disposal or lease back to the developer under S233 of the TCPA 1990, at no cost to the Council.
10. To delegate to the Director of Development and Renewal after consultation with the Service Head - Legal Services the power to take all necessary procedural steps and execute the necessary documents to override all third party rights pursuant to S237 of the TCPA 1990 to facilitate the proposed developments on both the City Pride and Island Point sites.
11. To note that any transfer or lease back of the site to the developer will require the consent of the commissioners appointed by the Secretary of State as detailed in paragraph 15.9 of the report.

**Action by:****CORPORATE DIRECTOR, DEVELOPMENT AND RENEWAL (A. DALVI)**

(Service Head, Strategy, Regeneration &amp; Sustainability (J. Odunoye))

**Reasons for the decision**

Section 8 of this report highlights the substantial benefits from the scheme in terms of meeting the well-being tests for the use of the S237 powers. Paragraphs 16.7 and 16.9 confirm that the public benefits of using the S237 powers are considered to outweigh the infringements of private rights.

The affordable housing which is to be built as part of the City Pride and Island Point scheme will contribute towards the Council's housing target and the GLA's London Plan housing target. The loss of these units would make achievement of already very challenging numbers even more difficult.

The developer has formally requested that the Council considers the use of section 237 powers of the Town and Country Planning Act 1990, because one or more owners of neighbouring residential properties have threatened the use of injunction to frustrate the development. The validation and consultation undertaken by officers has confirmed that this is a distinct possibility.

The use of the power does not remove the right to compensation to be paid to the affected property owners. In reaching a final decision the Council will have specific regard to both the property rights of the affected owners and the Human Rights Act implications.

The purpose of the Scheme is to overcome certain impediments to the development of the Land and to enable such development to be carried out with minimum further delay so that substantial well-being benefits can be realised for the Council's area.

The Scheme will achieve this purpose by authorising the interference with any easements or other third party rights over the Land, including any rights of light, which may arise as a result of the carrying out of the development.

### **Powers**

The Council has the power to acquire land for planning purposes under Section 227 of the Town and Country Planning Act 1990 ("Act").

Such powers can only be used if the Council thinks that:

- the acquisition will facilitate the carrying out of development, re-development or improvement on or in relation to the land; and
- the development, re-development or improvement is likely to contribute the achievement of the promotion or improvement of the economic, social and/or environmental well-being of the Council's area.

If such powers are exercised to acquire land, it would have the effect of authorising the Council (and any successors in title to it) under section 237 of the Act to carry out development on the land in accordance with planning permission, notwithstanding that such development involves interference with certain interests or rights or a breach of a restriction as to the user of land arising by virtue of a contract. Compensation would be payable in respect of any such interference or breach pursuant to section 237(4) of the Act.

In the above, the Council may enter into a back to back deal with the developer, pursuant to criteria in section 233(1) of the TCPA. The disposal should be in such a manner and subject to such conditions as appear expedient in order:

- a) to secure the best use of that or other land and any buildings or works which have been, or are to be, erected, constructed or carried out on it; or
- b) to secure the erection, construction or carrying out on it of any buildings or works which the Council considers necessary for the proper planning of the area. The terms of the disposal should ensure that the best use of the land and buildings will be secured.

The Council is satisfied that the use of such powers is appropriate given the need to override easements and other rights which could otherwise prevent or further delay the carrying out of development of the Land. There are no other more appropriate enabling powers.

### **Alternative options**

There is no obligation for the Council to use its powers in this way and it cannot use them simply to assist the developer or to mitigate the developer's financial risks. If it chose not to act it would require the developer to deal with the objections and reach agreements with neighbouring property owners. There would remain a residual risk that the development might not progress due to the inability to agree settlements with all relevant parties and possibly due to the scheme becoming unviable. The affordable housing units would not be built out and the other public benefits identified in section 8 would not be achieved.

It is noted the developer has explored alternative options for both the City Pride and Island Point sites, including partial re-designs and scaling the scheme down to a smaller footprint; these options are considered further in section 9. Some of the partial changes proposed will be submitted by the developer as non-material amendments. However, some of the alternative re-design options explored have been found to be unviable or still leave a high risk of injunction. Crucially, the two sites are inter-linked and the successful delivery of the scheme would be dependent on both sites coming forward for development.

The alternative option is to NOT make the recommended Resolutions for exercising the powers under sections 227, 233 and 237 of the TCPA 1990. In this instance whilst negotiations by the developer with individual land interests could continue, this would depend on the willingness of the affected claimants: there would be a real risk that the development could not go ahead, due to the threat of injunctions. This would jeopardise the delivery of the substantial benefits for the local community identified in Section 8 below.

#### **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, 14/15 General Fund Revenue Budget and Capital Programme Monitoring Q2**

##### **DECISION**

1. To note the Council's financial performance compared to budget for 2014/15 as detailed in Sections 3 to 6 and Appendices 1-4.1 of this report.
2. To review and note the 2014/15 quarter 2 performance for the Strategic Plan and the reportable Strategic Measures in Appendices 5 & 6.
3. To agree a capital estimate of £275,000 for works at White Horse 1 O'Clock Club, as set out in Appendix 4.2.

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

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

(Chief Accountant (K. Miles))

**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 annual outturn position against budget for both revenue and capital net spend. It also reports 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 Housing Revenue Account First Budget and Rent Setting Report - 2015/16****DECISION**

1. To agree an average 2015/16 weekly rent increase for tenanted Council dwellings of 2.5%, which equates to an average weekly increase of £2.75 (paras 4.8.7 & 4.8.8) from the first rent week in April 2015.
2. To agree that the average weekly tenanted service charge increase will be £0.20 from the first rent week in April 2015.
3. To agree that, with effect from April 2015, vacated Council properties will be re-let at formula rent.
4. To note that the Housing Revenue Account (HRA) budget will be presented to Cabinet for approval in February 2015.

**Action by:****CORPORATE DIRECTOR, DEVELOPMENT AND RENEWAL (A. DALVI)**

(Senior Accountant (HRA) (K. Ball))

**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 implementation from the first rent week of 2015/16.

**Alternative options**

The government's rent policy was published in May 2014 (see para 4.1 below). The rent policy is guidance only and the Mayor in Cabinet can determine the level of 2015/16 rent increase; the financial consequences of a variety of options are set out in section 4.8.

**10.3 Fees and Charges 2015/16****DECISION****Communities, Localities and Culture**

1. To approve the revised fees and charges as set out in Appendix 1 to the report with effect from 1st April 2015.

**Development and Renewal**

2. To approve the revised fees and charges as set out in Appendix 2 to the report with effect from 1st April 2015.

**Education, Social Care and Wellbeing**

3. To approve the revised fees and charges as set out in Appendix 3 to the report with effect from 1st April 2015.

**Law, Probity & Governance**

4. To approve the revised fees and charges as set out in Appendix 4 to the report with effect from 1st April 2015.

**Licensing Charges**

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

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

(Interim Service Head, Finance and Procurement (B. Scarr))

**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).

#### **10.4 Council Tax Base Report**

##### **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 2015/16 shall be 78,840.

##### **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 2015.

If the tax base is not agreed and notified to the Preceptor by 31st January 2015, this may prejudice the calculation of Council Tax for 2015/16.

##### **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 its Council Tax Base.

#### **10.5 General Fund Capital and Revenue Budgets and Medium Term Financial Plan 2015/16**

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

##### **DECISION**

1. To agree a General Fund Revenue Budget of £290.569m 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 2015-2016.
2. To accept the Council Tax Freeze Grant available from the Department of Communities and Local Government for 2015-2016 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 2015-2016 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 2015-2016 and the indications and forecasts for future years set out in Section 8.
  - c. **Base Budget 2015-2016**  
The Base Budget for 2015-2016 as £293.933m as detailed in Appendix 1.
  - d. **Growth and Inflation**  
The risks identified from potential inflation and committed growth arising in 2015-2016 and future years and as set out in Section 9 and in Appendix 3.
  - e. **General Fund Revenue Budget and Medium Term Financial Plan 2015-2016 to 2017-2018**  
The initial budget proposal and Council Tax for 2015-2016 together with the Medium Term Financial Plan set out in Appendix 1 and the budget reductions arising.
  - f. **Savings**  
Previously agreed and New savings items to be included in the budget for 2015-2016 and the strategic approach for future savings to be delivered are set out in Section 10, Appendix 4.1 and 4.2 of the report.
  - g. **Capital Programme**  
The capital programme to 2017-2018; including the proposed revisions to the current programme as set out in section 14 and detailed in Appendices 8.1, 8.2 & 8.3.
  - h. **Dedicated Schools Grant**  
The position with regard to Dedicated Schools Grant as set out in Section 12 and Appendices 6.1 & 6.2.
  - 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's Priorities**

Initiatives proposed by the Mayor are set out in Section 9.9 to 9.14.

**Action by:**

**ACTING CORPORATE DIRECTOR, RESOURCES (C. HOLME)  
SERVICE HEAD, CORPORATE STRATEGY AND EQUALITY (L.  
RUSSELL)**

**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 6th March 2015 at the latest. The setting of the budget is a decision reserved for Full 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)**

(Accountant Financial Planning (A. Kadir))

**Reasons for the decision**

Financial Regulations require 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.

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 activities are in accordance with Financial Regulations.

**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.

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

Nil items.

**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 6.31 p.m.

John S Williams  
SERVICE HEAD, DEMOCRATIC SERVICES