

LONDON BOROUGH OF TOWER HAMLETS

DECISIONS OF THE COUNCIL

HELD AT 7.30 P.M. ON WEDNESDAY, 26 NOVEMBER 2014

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

NOTE - AGENDA ORDER

During the meeting the Council 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. Urgent Motions, moved with the agreement of the Council without notice, are listed at Item 13 and the additional petition is listed as Item 5.4.

1. APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of:

- Councillor Ohid Ahmed
- Councillor Andrew Cregan
- Councillor Ayas Miah
- Councillor Mohammed Mufti Miah; and
- Councillor Oliur Rahman

(Action by: John S. Williams, Service Head Democratic Services)

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS

There were no declarations of Disclosable Pecuniary Interests.

3. MINUTES

DECISION

That the unrestricted minutes of the Council meeting held on 10 September 2014 be confirmed as a correct record and the Speaker be authorised to sign them accordingly.

(Action by: John S. Williams, Service Head, Democratic Services)

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

Please see the minutes.

5. TO RECEIVE PETITIONS

5.1 Petition to reduce the speed limit on Longnor Estate

Ms Joan Burton addressed the meeting on behalf of the petitioners and responded to questions from Members. Councillor Shahed Ali, Cabinet Member for Clean and Green then responded to the matters raised in the petition.

DECISION

That the petition be referred to the Corporate Director, Communities, Localities and Culture, for a written response on any outstanding matters within 28 days.

(Action by: Stephen Halsey, Corporate Director, Communities, Localities and Culture)

5.2 Petition regarding services for children

Ms Christine Trumper addressed the meeting on behalf of the petitioners and responded to questions from Members. Councillor Gulam Robbani, Cabinet Member for Education and Children's Services then responded to the matters raised in the petition.

DECISION

That the petition be referred to the Corporate Director, Education, Social Care and Wellbeing, for a written response on any outstanding matters within 28 days.

(Action by: Robert McCulloch-Graham, Corporate Director, Education, Social Care and Wellbeing)

5.3 Petition against 'the witch-hunt on Tower Hamlets'

Mr Nick Parkin and Mr Raihan Islam addressed the meeting on behalf of the petitioners and responded to questions from Members. Councillor Alibor Choudhury, Cabinet Member for Resources then responded to the matters raised in the petition.

DECISION

That the petition be referred to Directorate of Law, Probity and Governance, for a written response on any outstanding matters within 28 days.

(Action by: Meic Sullivan-Gould, Interim Monitoring Officer)

The Council agreed to suspend Procedure Rule 19.2 to enable the following petition to be heard:

5.4 Petition on 'Save our Nurseries in Tower Hamlets'

The petitioners addressed the meeting and responded to questions from Members. Councillor Gulam Robbani, Cabinet Member for Education and Children's Services, then responded to the matters raised in the petition.

DECISION

That the petition be referred to the Corporate Director, Education, Social Care and Wellbeing, for a written response on any outstanding matters within 28 days.

(**Action by:** Robert McCulloch-Graham, Corporate Director, Education, Social Care and Wellbeing)

6. TO RECEIVE WRITTEN QUESTIONS FROM MEMBERS OF THE PUBLIC

The following questions and in each case a supplementary question were put and were responded to by the relevant Executive Member:-

- 6.1 Question from Mr Terry McGreenera regarding the Chairing of the Council meeting.
- 6.2 Question from Mr Stuart Madewell regarding the cost to the council tax payer of the three commissioners.
- 6.3 Question from Mr Stephen Beckett regarding the Communities Secretaries' decision to send auditors to the Council.
- 6.4 Question from Mr Mickey Ambrose regarding allegations of fraud and corruption.
- 6.5 Question from Mr John Allison on any effect on council services of the Best Value audit process.
- 6.6 Question from Mr Mohsin Uddin regarding reports of a 'hit squad' taking over the running of the Council.
- 6.7 Question from Ms Kathy McTasney on how funding was allocated from the Main Stream Grants process.

Questions 6.8 to 6.10 were not put due to lack of time. Written responses would be provided to the questions.

(**Action by:** John S. Williams, Service Head, Democratic Services – to arrange written responses)

7. MAYOR'S REPORT

The Mayor made his report to the Council meeting. The Leaders of the other political groups each then responded briefly to the Mayor's report.

8. TO RECEIVE WRITTEN QUESTIONS FROM MEMBERS OF THE COUNCIL

The following questions and in each case a supplementary question were put and were responded to by the relevant Executive Member:-

- 8.1 Question from Councillor Clare Harrison regarding recruitment of a Chief Executive.
- 8.2 Question from Councillor Abjol Miah regarding the Best Value inspection.
- 8.3 Question from Councillor Peter Golds regarding the disposal of 111-113 Mellish Street.
- 8.6 Question from Councillor Chris Chapman on the Mayor's absence from Remembrance Day commemorations.

Questions 8.7 to 8.22 were not put due to lack of time, Question 8.3 was not put as the questioner was not present. Question 8.4 was not put as the Council had earlier in the meeting resolved that the questioner be not further heard. Written responses would be provided to the questions that were not put.

(Action by: John S. Williams, Service Head, Democratic Services – to arrange written responses)

9. REPORTS FROM THE EXECUTIVE AND THE COUNCIL'S COMMITTEES**9.1 Report from Cabinet meeting: Extension of Substance Misuse Strategy**

The Council considered the recommendations of the Executive on the extension of the Substance Misuse Strategy. The recommendation was put to the vote under the guillotine procedure at Council Procedure Rule 9.

DECISION

To agree an extension of the current substance misuse strategy by one year to the end of March 2016.

(Action by: Stephen Halsey, Corporate Director, Communities, Localities and Culture)

10. TO RECEIVE REPORTS AND QUESTIONS ON JOINT ARRANGEMENTS/EXTERNAL ORGANISATIONS (IF ANY)

There was no business to transact under this agenda item.

11. OTHER BUSINESS**11.1 Mid-Year Review Report for Treasury Management and Investment Strategy 2014/15**

The Council considered the report of the Acting Corporate Director, Resources setting out the mid-year review of the Council's Treasury Management and Investment Strategy. The recommendations were put to the vote under the guillotine procedure at Council Procedure Rule 9.

DECISIONS

1. To note the report.
2. To approve the changes to the minimum credit rating criteria; that is the removal of viability or financial strength rating and support ratings as set out in section 10 and table 1 of Appendix 3 to the report.
3. To approve the updated investment instruments as set out in section 10:15 and tables 2 and 3 of Appendix 3 to the report.
4. To approve the proposed new prudential indicator limit for investments over one year but no more than three years to £50 million from £25 million.

(**Action by:** Chris Holme, Acting Corporate Director Resources)

11.2 The Structure and Governance arrangements of the London Borough of Tower Hamlets Pension Fund

The Council considered the report of the Acting Corporate Director, Resources regarding the structure and governance arrangements of the London Borough of Tower Hamlets' Pension Fund. The recommendations were put to the vote under the guillotine procedure at Council Procedure Rule 9.

DECISIONS

1. To note the proposed changes in the Governance Arrangements for LGPS Pension Funds with effect from 1 April 2015.
2. To delegate to the Pensions Committee the creation of the Pensions Board for the Tower Hamlets Pension Fund.

(**Action by:** Chris Holme, Acting Corporate Director, Resources)

12. TO CONSIDER MOTIONS SUBMITTED BY MEMBERS OF THE COUNCIL**12.3 Motion regarding the Best Value Inspection undertaken by PwC**

Councillor Peter Golds **moved**, and Councillor Chris Chapman **seconded**, the motion as printed on the agenda.

During debate Councillor Rachael Saunders **moved**, and Councillor Shiria Khatun **seconded**, an amendment. Following debate the amendment was **agreed** and the amended motion was then **agreed**.

DECISION

This council believes:

1. That a wide range of local people and organisations have tenaciously fought long standing campaigns on unjust distribution of grants, improper decision making in the procurement of services and failures in the disposal of assets, including through rigorous scrutiny and debates at full council.
2. That public money is at stake, along with public trust and proper accountability. Every community in our country is entitled to the highest standards of probity and honesty in our democracy. No community should have to put up with lower standards of democracy and transparency.
3. That the Mayor and his administration can no longer avoid taking responsibility for their failures now that an audit report has set out multiple failures of the best value duty.
4. That in the debate in the House of Commons members of parliament from across political parties were shocked by the failures of the administration and the Mayor.
5. That multiple failures of the best value duty – the statutory responsibility of local authorities to do the right thing with tax payer's money – are extremely serious, and that local people are deeply concerned about the leadership of this authority.

This council further believes:

1. That the report sets out nine ongoing criminal investigations into alleged fraud relating to youth services.
2. That the report demonstrates that, through changes to grants recommendations, the Mayor chose to make cuts to vital services in the poorest parts of the borough, whilst giving money to organisations ruled ineligible.

3. That the view of the auditors is that “current governance arrangements do not appear to be capable of preventing or responding appropriately to failures of the best value duty”.
4. That Lutfur Rahman has brought shame to our great borough, and should consider his position.
5. That there are many important questions to which local people deserve answers.

This council resolves:

1. To require from the Mayor and senior management team of the council a full response to the issues raised in the auditor’s report, including but not limited to answers to the following questions:
 - According to the audit report, there is evidence of nine incidents of alleged fraud in relation to the Youth and Community Service, and that “no discernible procurement process appears to have been followed”. Please provide the fullest possible information about these payments. Will the Mayor and corporate director cooperate fully to ensure that these police enquiries can be concluded as soon as possible? What action will the mayor take to reassure local people about the quality and integrity of their youth services?
 - The report has found that the Mayor’s decisions led to cuts in grants to the poorest parts of the borough. What is the mayor’s explanation for these cuts? What will he do to reinstate the services that were cut unjustly? Please provide full information about the monitoring that has been done of services funded through all grants awarded since May 2010.
 - There are multiple examples of buildings – Poplar Town Hall, Sutton St depot – sold to bidders who submitted their bids after those from their competitors had been opened. Why was a one year rent free period given, and why was £50,000 given for health and safety works? Why was £135,000 handed over to a private business? This incentive was not offered to other bidders. Does the Mayor regard this as acceptable practice? What will he do to prevent it happening again? Who does he regard as responsible for their failures of the Best Value Duty?
 - Over the course of this four year term the Mayor proposes to spend £1.4million on mayoral advisers. The audit report found that spending on his media advisers failed the best value duty. Will he cut his wasteful advisers instead of proposed cuts to nurseries for disabled children and proposed cuts to social services?

- What was the 954 fund?
 - Can the Mayor explain his role in the procurement of learning disability day services, as set out in the report? How did that decision relate to what was happening with the mainstream grants process?
2. This council resolves that this should be sent to all councillors by the 12th December 2014.
 3. That this response should also answer all issues and questions raised in the original motion 12.3, and should cover all other issues of public concern and each of the best value failures identified.
 4. That following receipt of this, and its consideration by political groups on the council, (or in any case if a response from the executive is not forthcoming) we mandate the Overview and Scrutiny committee to undertake further interrogation of issues raised in the report as it sees appropriate, and to report back to Full Council on its findings.

This council further resolves:

1. That whilst it is a source of shame to this borough that we have reached the point of government intervention, this council resolves to work constructively with commissioners, assuming that they are appointed.
2. That it is vital that scrutiny arrangements are in place to provide democratic oversight of the work of the commissioners. To call on the head of paid service to ensure these arrangements are in place.
3. To call on the Head of Paid Service to convene the long awaited governance review, with councillor representation from all political groups and representatives from the LGA, as a matter of urgency, in the light of the governance failures set out in the report.
4. To reaffirm our position on the need for a Chief Executive with full authority, and permanent appointments to the other two statutory officer positions.
5. That, if Lutfur Rahman and his cabinet increased the cost of the audit through delays, he should pay from his own pocket. Local people have already paid many times over for his failures.

(Action by: Stephen Halsey, Head of Paid Service (and all Corporate Directors))

Motions 12.1, 12.2 and 12.4 to 12.11 were not debated due to lack of time.

13. URGENT MOTIONS

The Council agreed to suspend Procedure Rule 13.1 to enable the following urgent motions to be debated without notice:

13.1 Motion regarding nursery closures

Councillor Danny Hassell **moved**, and Councillor Asma Begum **seconded**, the motion as **tabled**.

Following debate the motion was put to the vote and was **agreed**.

DECISION

This council notes:

1. The proposal submitted by the Mayor and Cabinet for public consultation on the closure of the four council run nurseries in the borough - Mary Sambrook, Queen Mary, Overland and John Smith.
2. The excellent campaign run by local parents of children attending the nurseries to prevent the closure and the significant local support their campaign has attracted.
3. The concern of many parents about provision for disabled children in particular as a result of these proposals.
4. The statement of the Mayor at the November cabinet meeting that the savings proposals would be reviewed, which appeared to contrast to other proposals which were clearly withdraw at the meeting.
5. The letter sent by Cllr Danny Hassell to the Mayor on 7th November asking for further clarity on the remarks by the Mayor and calling for clearer information on the future of all four nurseries.
6. That Tower Hamlets has the highest levels of child poverty in the country.
7. Publicly run early years provision is generally of a much higher quality than that in the private, voluntary and independent sector.

This council believes:

1. The early years are crucial to improving life chances and that the quality of provision has a significant impact on effectiveness.
2. The services provided by these nurseries to disabled children and their families are especially valuable and unlikely to be provided in the same way by alternative provision.

3. Council-run nurseries in Tower Hamlets provide important opportunities for young people and their families, and their continued operation should be a priority for this council.

This council resolves:

1. To call on the Mayor to withdraw entirely the proposal to close all four council-run nurseries: Mary Sambrook; Queen Mary; Overland; and John Smith.

13.2 Motion regarding OFSTED Inspections

Councillor Rachael Saunders **moved**, and Councillor Shiria Khatun **seconded**, the motion as **tabled**.

Councillor Alibor Choudhury **moved** an amendment to include in the motion the names of the 6 independent schools. Councillors Rachael Saunders and Shiria Khatun indicated that they accepted the amendment and altered their motion accordingly.

Councillor Rabina Khan **moved** an amendment to add a bullet point under This Council notes 'To note that there is no evidence or suggestion whatsoever of an attempted takeover, as allegedly occurred in Birmingham under the so-called Trojan Horse scandal, at Sir John Cass School or any other school in Tower Hamlets.' Councillors Rachael Saunders and Shiria Khatun indicated that they accepted the amendment and altered their motion accordingly.

Following debate the motion as amended was put to the vote and was **agreed**.

DECISION

This Council notes:

1. The outcome of the Ofsted inspections of six independent schools (namely; Al Mizan Primary, East London Islamic School, Ebrahim Academy, Jamaitul Ummah School, London East Academy and Mazahirul School), and Sir John Cass School published last week.
2. Concerns raised over safeguarding responsibilities within all of these schools; and concerns about the breadth and balance of the curriculum and experiences offered to children in some of the six independent schools.
3. That the council has no powers or responsibilities over the teaching and learning within the independent sector within the borough.
4. That there is no evidence or suggestion whatsoever of an attempted takeover, as allegedly occurred in Birmingham under the so-called

Trojan Horse scandal, at Sir John Cass School or any other school in Tower Hamlets.

This Council believes:

1. That the Government has diluted the powers of local authority over schools through the promotion and proliferation of academies and free schools who are not accountable to the local communities that they serve.
2. Council's responsibilities for safeguarding children in independent schools within their authority require the appropriate powers to carry this out.
3. That improvement in schools in the borough previously has taken place by a range of partners working in collaboration; the council, government, parents, teachers, school leaders and governors and wider community groups.

This Council resolves:

1. That council officers should work proactively with parents, governors, teachers and pupils at Sir John Cass to address the issues raised by Ofsted.
2. To call on the Government to ensure that council are equipped with the appropriate powers to fulfil their safeguarding responsibilities within in schools, including those in the private and independent sector.
3. For a full report on work in addressing the safeguarding concerns in independent schools in the borough to be presented to the Local Safeguarding Children's Board (LSCB).

(Action by: Robert McCulloch-Graham, Corporate Director, Education, Social Care and Wellbeing)

The meeting ended at 10.35 p.m.