

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE CABINET

HELD AT 5.35 P.M. ON WEDNESDAY, 4 AUGUST 2010

MAIN HALL, BRADY ARTS AND COMMUNITY CENTRE, 192-196 HANBURY STREET, LONDON E1 5HU

Members Present:

Councillor Helal Abbas (Chair)	(Leader of the Council)
Councillor Shahed Ali	(Lead Member, Environment)
Councillor David Edgar	(Lead Member, Resources)
Councillor Marc Francis	(Lead Member, Housing, Heritage and Planning)
Councillor Sirajul Islam	(Lead Member, Regeneration and Employment)
Councillor Denise Jones	(Lead Member, Culture and Creative Industries)
Councillor Joshua Peck (Vice-Chair)	(Deputy Leader of the Council)
Councillor Rachael Saunders	(Lead Member, Health and Wellbeing)
Councillor Abdal Ullah	(Lead Member, Community Safety)

Other Councillors Present:

Councillor Tim Archer	(Scrutiny Lead Member: A Healthy Community)
Councillor Anwar Khan	
Councillor Ahmed Adam Omer	(Scrutiny Lead Member, One Tower Hamlets)

Others Present:

Officers Present:

Mark Abrahams	– (Interim Service Head Procurement and Programmes, Resources)
Andy Algar	– (Service Head Asset Strategy, Capital Delivery, Property Services, Development & Renewal)
Robin Beattie	– (Acting Head, Strategy & Resources, Communities Localities & Culture)
Kate Bingham	– (Acting Service Head (Resources) Children Schools & Families)
Isobel Cattermole	– (Acting Corporate Director, Children, Schools & Families)
John Coker	– (Strategic Housing Manager, Development & Renewal)
Kevan Collins	– (Chief Executive)

- Luke Cully – (Finance Manager, Communities, Localities & Culture)
- Robert Driver – (Communications Officer, Communications, Chief Executive's)
- Alan Finch – (Service Head, Corporate Finance, Resources)
- Stephanie Ford – (Interim Performance Manager, Strategy & Performance, Chief Executive's)
- Isabella Freeman – (Assistant Chief Executive [Legal Services])
- Stephen Halsey – (Corporate Director, Communities, Localities & Culture)
- Chris Holme – (Service Head, Resources, Development & Renewal)
- Afazul Hoque – (Scrutiny Policy Manager, Scrutiny & Equalities, Chief Executive's)
- Judith St John – (Head of Ideas Stores, Communities Localities & Culture)
- Katie McDonald – (Scrutiny Policy Officer, Scrutiny & Equalities , Chief Executive's)
- Stephen Murray – (Head of Arts, Communities Localities & Culture)
- Chris Naylor – (Corporate Director, Resources)
- Layla Richards – (Service Manager Strategy Partnerships & Performance, Children Schools & Families)
- Chris Saunders – (Interim Political Advisor to the Labour Group, Chief Executive's)
- Takki Sulaiman – (Service Head Communications, Chief Executive's)
- Angus Taylor – (ExecutiveTeam Leader, Democratic Services, Chief Executive's)
- Helen Taylor – (Acting Corporate Director Adults Health & Wellbeing)
- Alison Thomas – (Private Sector and Affordable Housing Manager, Development & Renewal)
- Saheed Ullah – (New Projects Developments Manager, Children Schools & Families)
- Alice Wallace – (Third Sector Development Manager, Chief Executive's)
- Owen Whalley – (Service Head Major Projects, Development & Renewal)
- John Williams – (Service Head, Democratic Services, Chief Executive's)

COUNCILLOR H. ABBAS (CHAIR) IN THE CHAIR

WELCOME

The Chair opened the meeting by welcoming those present in the public gallery to the second meeting of the Cabinet to be held outside the Town Hall, commenting that forthcoming Cabinet meetings prior to the Mayoral election in October 2010 were, at his request, also to be held in the Community with a view to promoting resident attendance and engagement.

ADJOURNMENT

At this juncture the Chair informed those present that before Cabinet consideration of the substantive business set out in the agenda, he felt it appropriate to allow an opportunity for the public to put questions to the Leader of the Council [himself], Deputy Leader of the Council and other Lead Members comprising the Cabinet; also to allow an opportunity for members of the Cabinet to comment on the learning from their walkabout, which had taken place immediately beforehand. Accordingly the Chair Moved the following motion for the consideration of members of the Cabinet, and it was: -

Resolved

That the Cabinet adjourn for a period of 30 minutes, at 5.35pm, and that the meeting reconvene at 6.05pm.

The meeting adjourned at 5.35pm
The meeting reconvened at 6.05pm

Question & Answer Session

Members of the public asked a number of questions to which the members of the Cabinet responded including:

- Administration's stance on areas of the borough having their own devolved council's.
- Action the Council was taking to improve physical and visual access to its public buildings.
- Joined up working/ response of Council departments to the Mayor of London's cycle route initiative, given the perceived detrimental impact on pedestrian safety in some areas of the borough.
- Whether the disposal of Council assets was proposed to meet the savings required by the Coalition Government.

Walkabout Learning

Cabinet members commented on the learning from their walkabout which had taken place immediately before the Cabinet meeting. This had comprised of 4 groups of Cabinet Members/ Chief Officers walking to the Brady Arts and Community Centre, from meeting points in the vicinity, for approximately an hour. Comments received focused on the following issues:

Valance Road/ Bethnal Green Road group

- Tower Hamlets Homes properties: quality of caretaking and condition of stock - reasonably good. Lead Member encouraged by result of investment in deep clean of estates but acknowledged it needed wider roll-out.
- Prostitution in Cheshire Street/ whether CCTV was operational and action plan to address. Corporate Director Communities Localities and Culture (CDCLC) reported on initiatives to mitigate, but to take this up and to update Deputy Leader in writing.
- Derelict properties at bottom of Vallance Road owned by the Housing Revenue Account found to be in poor state of repair. Service Head Major Project Development reported the land had been set aside for a Transport for London road widening project, would explore if this was still viable and report back to next Cabinet meeting.
- Pigeon droppings and street lights not working on a street to east of Vallance Road. Lights issue to be taken up with Officer responsible for spotting and to identify systemic failure.
- Lister House in Vallance Road known for drug and prostitution issues seen to be in better condition. Hereford Estate lacked TRA - working with THH to support this.
- Disappointing some programmed Decent Homes projects in the area had not yet commenced, although they were underway elsewhere.

Arnold Circus group

- In context of number of refuse bins often used by businesses, over-full/unattractive, also spillage on pavement (possibly due to type of bags used) health and safety issue and counteractive to cleansing activities - new approach needed. Public Realm either good or unacceptably bad.
- CDCLC reported some businesses had refuse collection contract with Council, some abused the service, others abused the bins provided to others. Working with contractors towards a new bin-less frequent collection approach.
- Blatant touting on Brick Lane - action needed to mitigate. Policy to pursue enforcement through courts not effective. Is being taken up through joint tasking with Police but not a priority.

Whitechapel Idea Store/Market group

- CDCLC acknowledged that although Council's cleaning performance had improved against indicators, some areas seen on this walkabout, and others, were of unacceptable standard. Action to be taken to raise standards as appropriate.
- Fenced area on corner of Whitechapel and Vallance Road full of litter disappointing and would be addressed.
- Too many bicycles from bicycle scheme on junction of New Road.
- Pigeon control needed taken up with TfL.

New Road and Commercial Road group

- Children happy with play provision and tenants with facilities. One complaint of noise.
- Restaurant owner just inspected happy with regulatory service.

- Holes in pavement in New Road needed repair, sidewalk edge needed deep clean.
- Oasis area outside Mosque Whitechapel Road and Bell Road needed attention.

The Chair thanked members of the public for attending to present questions. Also Cabinet members/ Chief Officers for attending the walkabout, which he considered presented an opportunity to see a locality/ any issues first hand and to assess how reality measured up to reported performance.

1. APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of:

- Councillor S. Khatun, Lead Member Children's Services.
- Councillor A. Jackson, Chair Overview and Scrutiny Committee for whom Councillor Ahmed Adam Omer Vice-Chair Overview and Scrutiny Committee was deputising.
- Mr A. Dalvi, Corporate Director Development and Renewal for whom Mr O. Whalley, Service Head Major Project Development - Development and Renewal, was deputising.

Noted.

2. DECLARATIONS OF INTEREST

Councillor S. Islam declared a personal interest in Agenda item 6.1 "LBTH Housing Strategy - Annual Review for 2009/10 and the Annual Strategy Refresh" (CAB 017/101). The declaration of interest was made on the basis that the report contained recommendations relating to the Authority's Housing Strategy which affected properties in the ownership of the Authority (managed by Tower Hamlets Homes) and Councillor Islam was a tenant of Tower Hamlets Homes.

Councillor D. Jones declared a personal interest in Agenda item 6.1 "LBTH Housing Strategy - Annual Review for 2009/10 and the Annual Strategy Refresh" (CAB 017/101). The declaration of interest was made on the basis that the report contained recommendations relating to the Authority's Housing Strategy which affected properties in the ownership of the Authority (managed by Tower Hamlets Homes) and Councillor Jones was a representative of the Authority on the governing body of Tower Hamlets Homes.

Councillor H. Abbas declared a personal interest in Agenda Item 6.2 "Local Homes Initiative: Sale of additional land to Tower Hamlets Community Housing" (CAB 018/101). The declaration of interest was made on the basis that the report contained recommendations relating to Tower Hamlets Community Housing, and Councillor Abbas was a former representative of the Authority on the governing body of Tower Hamlets Community Housing.

Councillor S. Islam declared a personal interest in Agenda Item 6.2 “Local Homes Initiative: Sale of additional land to Tower Hamlets Community Housing” (CAB 018/101). The declaration of interest was made on the basis that the report contained recommendations relating to Tower Hamlets Community Housing, and Councillor Islam was a representative of the Authority on the governing body of Tower Hamlets Community Housing.

Councillor D. Jones declared a personal interest in Agenda Item 7.1 “Pupil Place Planning and School Estate Strategy” (CAB 019/101). The declaration was made on the basis that the report contained recommendations relating to secondary schools in general and Mulberry Secondary School specifically and Councillor Jones was a member of the governing body of Mulberry Secondary School.

Councillor D. Jones declared a personal interest in Agenda Item 7.2 “Wellington Primary School and Phoenix Special School - Decisions on statutory proposals” (CAB 004/101). The declaration was made on the basis that the report contained recommendations relating to schools in general and Councillor Jones was a member of the governing body of Mulberry Secondary School.

Councillor H. Abbas declared a personal interest in Agenda Item 7.3 “Update on Building Schools for the Future Programme (authorisation to enter into contracts)” (CAB 021/101). The declaration was made on the basis that the report contained recommendations relating to Swanlea Secondary School, and his son attended Swanlea Secondary School.

Councillor D. Jones declared a personal interest in Agenda Item 7.3 “Update on Building Schools for the Future Programme (authorisation to enter into contracts)” (CAB 021/101). The declaration was made on the basis that the report contained recommendations relating to secondary schools in general and referred specifically to Mulberry Secondary School, and Councillor Jones was a member of the governing body of Mulberry Secondary School.

Councillor A. Ullah declared a personal interest in Agenda Item 7.5 “Allocation process for Council-owned property to Third Sector Organisations” (CAB 023/101). The declaration was made on the basis that the report contained recommendations relating to the future process for the allocation of Council owned property to Third Sector organisations, and Councillor Ullah was Secretary for a local voluntary organisation which currently had access to Council owned premises.

Noted.

3. UNRESTRICTED MINUTES

The Chair **Moved** and it was: -

Resolved

That the unrestricted minutes of the ordinary meeting of the Cabinet held on 7th July 2010 be approved and signed by the Chair, as a correct record of the proceedings.

4. DEPUTATIONS & PETITIONS

At this juncture the Chair Informed members of the Cabinet that the Assistant Chief Executive had received one valid request, from Wapping Parents Group, to address them in respect of Agenda item 7.1 “Pupil Place Planning and School Estate Strategy” (CAB 019/101).

Variation to Order of Business

The Chair also indicated that he thought it appropriate that the Order of Business be varied so that following receipt of the deputation, consideration be given to the report, contained in the agenda before the Cabinet for consideration, which was the subject matter of the deputation.

Accordingly the Chair **Moved** the following motion for the consideration of members of the Cabinet, and it was: -

Resolved

That the Order of Business be varied so that following the receipt of the deputation, Agenda Item 7.1 “Pupil Place Planning and School Estate Strategy” (CAB 019/101) be considered next, and subsequently the Cabinet return to the order of business detailed in the agenda.

At this juncture the Chair informed members of the Cabinet that a statement had been **Tabled** by the Wapping Parents Group, a copy of which would be interleaved with the minutes.

Following receipt of the deputation, points of clarification sought and given, and an address from Deputy Leader of the Council, on behalf of the Lead Member Children’s Services, in response to the deputation, the Chair thanked the deputation for coming to address the Cabinet and then **Moved** the following motion for the consideration of members of the Cabinet and it was: -

Resolved

1. That the following deputation be formally received and noted: -

Mr J. Cheyne, Wapping Parents Group, in respect of Agenda item 7.1 “Pupil Place Planning and School Estate Strategy” (CAB 019/101);

2. That the points raised by the deputation be given consideration during the Cabinet deliberation of the item of business to which the deputation related; and
3. That any outstanding issues raised by the deputation be referred to the Corporate Director Children Schools and Families for attention and response in writing within 28 days, in accordance with the Authority's Constitution (Part 4, Rules of Procedure, Section 4.1 Council Procedure Rules, Rule 20 Deputations).

5. OVERVIEW & SCRUTINY COMMITTEE

5.1 Chair's advice of Key Issues or Questions in relation to Unrestricted Business to be considered

The Chair informed members of the Cabinet that Councillor Omer, Vice-Chair of the Overview and Scrutiny Committee, had **Tabled** a sheet of questions/ comments arising from the deliberations of the Overview and Scrutiny Committee, held on 3rd August 2010, in respect of the unrestricted business contained in the agenda for consideration, a copy of which would be interleaved with the minutes.

Councillor Omer, Vice-Chair of the Overview and Scrutiny Committee, addressed members of the Cabinet:

- *Key Issues or Questions (Pre Scrutiny)*
Informing members of the Cabinet that he had nothing to add to the questions/ comments raised by the Overview and Scrutiny Committee, as set out in the tabled paper regarding: -
- Item 6.1 LBTH Housing Strategy - Annual Review for 2009/10 and the Annual Strategy Refresh
- Item 7.4 Framework for Minor Works and Repairs
- Item 7.5 Allocation process for Council-owned property to Third Sector Organisations

The Chair thanked Councillor Omer for presenting the contribution of the Overview and Scrutiny Committee; and then **Moved** and it was: -

Resolved

That the questions and comments of the Overview and Scrutiny Committee be noted, and that these be given consideration during the Cabinet deliberation of the items of business to which the questions/ comments related.

Variation to Order of Business

At this juncture the Chair Informed members of the Cabinet that, given the level of public interest in two reports detailed later in the agenda before them for consideration:

- **Agenda Item 7.5** Allocation process for Council-owned property to Third Sector Organisations
- **Agenda Item 10.2** Budget 2011/12 - 2013/14 - Resource Allocation and Budget Review

he thought it appropriate that the Order of Business be varied so that following Agenda item 5.1 "Chair's Advice of Key Issues or Questions in relation to Unrestricted Business to be considered" that these two reports be considered as the next business.

Accordingly the Chair **Moved** the following motion for the consideration of members of the Cabinet, and it was: -

Resolved

That the Order of Business be varied so that following Agenda item 5.1 "Chair's Advice of Key Issues or Questions in relation to Unrestricted Business to be considered" Agenda item 7.5 "Allocation process for Council-owned property to Third Sector Organisations" (CAB 023/101) be considered next, thereafter Agenda Item 10.2 "Budget 2011/12 - 2013/14 - Resource Allocation and Budget Review" (CAB 026/101), and subsequently the Cabinet return to the order of business detailed in the agenda.

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

5.2(i) Cabinet Decision "Called in" Idea Store Strategy Action Plan Update - Idea Store Metro Watney Market and One Stop Shop (CAB 028/101).

The Chair informed members of the Cabinet that Councillor Omer, Vice- Chair of the Overview and Scrutiny Committee, had **Tabled** a reference (CAB 028/101) arising from the deliberations of the Overview and Scrutiny Committee, held on 3rd August 2010, in respect of the provisional decision of the Cabinet, held on 7th July 2010, made in relation to Idea Store Strategy Action Plan Update - Idea Store Metro Watney Market and One Stop Shop (CAB 010/101), a copy of which would be interleaved with the minutes.

Councillor Omer, Vice- Chair of the Overview and Scrutiny Committee, addressed members of the Cabinet in relation to the tabled reference of the Overview and Scrutiny Committee (OSC) (CAB 028/101), and requests contained therein, highlighting focal points of the further deliberation of this matter by the Committee and its conclusion to refer the provisional decision of the Cabinet regarding this matter back to the Cabinet for further consideration.

- The suitability of the proposed location for the new Idea Store Local/One Stop Shop (ISL/OSS), the scale of the structure and associated impact on the pedestrian corridor through Watney Market.

- The potential for other commercial and residential uses of the site proposed for the new ISL/OSS and the rationale for seeking one valuation of the site and not marketing it.
- The merits of using and source of Section 106 funding for the project.
- The level and methodology of consultation undertaken with residents/ Registered Social Landlords in relation to the project and in particular the use of the land.
- The future of the existing idea store and safety aspects of combining a library in a One Stop Shop.

And concluding by commending that the Cabinet set aside their previous decision and instead took the alternative course of action set out in the tabled report of the OSC:

- A second independent valuation of the plot of land listed in Appendix 1 of the report for development of the new ISL/OSS be undertaken;
- Further community consultation be undertaken to establish exactly what local residents would like to see the land used for;
- The source (s) of the s106 funding required to support this project are identified; and
- The need for an Idea Store in Watney Market and investment in the existing Watney Market Library be reviewed.

The Chair informed members of the Cabinet that a detailed response to the matters raised by the Overview and Scrutiny Committee in the tabled reference regarding this agenda item, had been **Tabled** by the Corporate Director Communities, Localities and Culture, a copy of which would be interleaved with the minutes.

Mr Halsey, Corporate Director Communities, Localities and Culture, and Mr Whalley Service Head Major Project Development - Development and Renewal, at the request of the Chair, also addressed members of the Cabinet in relation to the matters raised by the OSC in the tabled reference regarding this agenda item highlighting key points as follows:

- The Idea Store Strategy approved by the Cabinet in 2009, had been the outcome of a year-long refresh of a 10 year old strategy, and had been the subject of wide-ranging public consultation. The action plan arising from the strategy was, he believed, robust and durable and the proposal for an Idea Store at Watney Market was its first outcome.
- The award of £2 million funding from the Big Lottery Fund (BLF) was time limited and dependent on the Council's timely commitment to the development. It was also ring-fenced for this scheme and not available for other purposes.
- The scheme would improve service provision but also yield significant revenue savings, and was part of the Council's endeavours to become "leaner" in its delivery of services.
- The Idea Store Strategy had clearly identified the ongoing need for improved facilities in the Watney Market area. the current library facility in the market area is inadequate to meet local needs and could not be converted to meet the operational or presentational requirements of an Idea Store.

- The emerging Local Development Framework Town Centre Implementation Programme identified Watney Market as one of three priority town centres for improvement, expansion and development. Community facilities form a key element of town centres and an Idea Store in this location would enhance the offer to town centre visitors.
- The attention of members of the Cabinet was drawn to Section 1 and 3 of the Corporate Director's tabled response to the matters raised by the OSC, relating to the merits of a second valuation and the sources of available Section 106 funding.

A discussion followed, during which the proposals in the reference from the OSC were rejected, and which focused on the following points:-

- Bewilderment that some councillors representing the ward where it was proposed to locate the Idea Store Local (ISL), had supported the referral of this matter back to Cabinet. Commenting that residents and schools elsewhere welcomed the location of such a facility in their area and highly valued the service it provided.
- Comment that following the relocation of the Sainsbury's store from Watney Market to Whitechapel the commercial activity of the market had declined. Investment by the Council in the market was leading to a pick up in this activity, but consideration also that the location of an ISL here would enhance the offer of the market and therefore bring more visitors also generating ancillary commercial activity in the market itself.
- Consideration that in a time of severe financial constraint it was legitimate to think carefully about the use of Section 106 resources, however a major aspect of the Authority's decision making in relation to this scheme must be that £2 million of BLF funding would be lost if its support was not confirmed quickly.
- The combined ISL/OSS scheme would improve service provision but also yield significant revenue savings.
- Consideration that the process for obtaining planning consent for any new development adequately provided for local residents or councillors with concerns regarding the nature of the development to make representations.
- Uncertainty as to the purpose of a further valuation of the proposed site for the ISL, given there was no proposal to sell the site to property developers, but only to develop a very beneficial service for local residents.
- Comment that it was right that the thinking behind such schemes should be examined closely, especially at this point in time when resources were scarce. However a full explanation of the land valuation had been given at the meeting of the OSC the previous evening. There was no evidence/ reason to suppose that the assumptions underpinning the valuation were incorrect: significant development issues and site constraints would prevent the land being commercially marketable, the risks involved for private developers being too great: the land had no viable alternative uses. In this context consideration that there was no point in seeking further costly professional opinion.
- Commented that there was good public support for the location of an ISL in Watney Market and also recognition of the value of such a

facility for local people. It was understood that much work had been done on finding the views of local people.

- A Conservative Councillor speaking with the consent of the Cabinet commented that:
 - No Councillors had been opposed to the location of an ISL in Watney Market.
 - Concern focused on the perception of the land being merely an extension of a bus stop and therefore considered to have no other use and therefore to be of nil value. The site belonged to the Housing Revenue Account (HRA) and it was proposed to build a sizeable ISL on it, of approximately 1400 square metres, it might therefore have commercial development potential, and if this was the case it was important for its true value to benefit the HRA.
 - Concern also focused, some of it that of Labour Councillors, on a lack of proper consultation with residents. Consultation had taken place in relation to a new ISL but not about the usage of the land, which it was understood had been identified in the 1960's as a potential green area.
 - The importance of levering in £2 million of available BLF funding had been acknowledged. However planning consent had not yet been obtained so a significant delay was already built into the scheme's timeline, so funding was probably already at risk and the alternative course of action proposed by the OSC were unlikely to risk it further.
- Councillor Francis, Lead Member Housing, Heritage and Planning, commented that it was not appropriate to turf over the space in question, particularly when the benefit to the local community of the proposed ISL scheme was so great. He would always defend the interests of the HRA and the social housing outcomes it provided, however this ISL scheme could not be viewed in terms of one area of Council activity being fleeced by another but should be examined in terms of being hugely beneficial to the local community. Noting the original reasons for "call in" he considered these inadequate to merit reversal of the original Cabinet decision.
- Commented that when the proposals for an ISL/OSS in Watney Street Market were considered by Cabinet, at its meeting held on 7th July 2010, the report advised that £1.1 million of capital funding for the scheme would come from a Section 106 contribution associated with a development site at 32-42 Bethnal Green Road. Clarification/ assurance was therefore sought, in the context of a decision by the Strategic Development Committee, held on 2nd August 2010, to allocate the Section 106 funding from this particular site for other purposes, that the capital funding gap created could be closed from Section 106 funding available from other developments in the borough; clarification/ assurance also sought that this other Section 106 funding was not that which had already been allocated for other purposes. Mr Whalley Service Head Major Project Development - Development and Renewal, provided the assurances sought.
- Commented that more recently good project management had resulted in Idea Stores being delivered to time and budget, but historically this

had not always been the case. In this context clarification/ assurance was sought from the Lead Member with regard to the overall cost of the ISL/OSS scheme in Watney Street Market, that it would be delivered to time and budget.

Councillor Jones, Lead Member Culture and Creative Industries:

- Emphasised the financial points highlighted by the Corporate Director Communities, Localities and Culture:
 - The time limitation on the award of £2 million funding from the BLF and its ring-fencing for this purpose.
 - That the combined ISL/OSS scheme would yield revenue savings of £60,000, but also lead to improved service provision.
- Commented that the original Idea Store Strategy included an Idea Store at Watney Market, so that people could do their shopping on the same journey as visiting the IS. There was a small library provision now but it had outgrown its space.
- Reiterated that the Local Development Framework and Town Centre strand of this underpinned the proposals for the scheme at Watney Market. It was identified as one of three priority town centres for improvement.
- Commented that there was an acknowledged overcrowding problem in the Shadwell and Whitechapel wards and this led to young people being unable to do their homework at home, thereby impairing their life chances. The library in Watney Market was too small to accommodate them and so the proposed ISL was vital for purely educational reasons.
- The original valuation of the site had been properly tendered and also there was no reason to think it was flawed, so it was unnecessary to undertake it again.
- The site was clearly not suitable for development of social housing and therefore given nil value.

Concluded by expressing the aspiration that the Cabinet would re-affirm its previous decision in relation to this matter.

The Chair **Moved** the following motion for the consideration of members of the Cabinet, and it was: -

Resolved

1. That the advice /comments of the Overview and Scrutiny Committee, as detailed in the Tabled Reference (CAB), be noted; and
2. That the provisional decisions of the Cabinet, made on 7th July 2010, in relation to Idea Store Strategy Action Plan Update - Idea Store Metro Watney Market and One Stop Shop (CAB 010/101) be reaffirmed.

6. A GREAT PLACE TO LIVE

6.1 LBTH Housing Strategy - Annual Review for 2009/10 and the Annual Strategy Refresh (CAB 017/101)

Councillor S. Islam declared a personal interest in Agenda item 6.1 “LBTH Housing Strategy - Annual Review for 2009/10 and the Annual Strategy Refresh” (CAB 017/101). The declaration of interest was made on the basis that the report contained recommendations relating to the Authority’s Housing Strategy which affected properties in the ownership of the Authority (managed by Tower Hamlets Homes) and Councillor Islam was a tenant of Tower Hamlets Homes.

Councillor D. Jones declared a personal interest in Agenda item 6.1 “LBTH Housing Strategy - Annual Review for 2009/10 and the Annual Strategy Refresh” (CAB 017/101). The declaration of interest was made on the basis that the report contained recommendations relating to the Authority’s Housing Strategy which affected properties in the ownership of the Authority (managed by Tower Hamlets Homes) and Councillor Jones was a representative of the Authority on the governing body of Tower Hamlets Homes.

Councillor Francis, Lead Member Housing Heritage and Planning, in introducing the report, summarised the key points contained therein, commenting that:

- The report provided an update on the first year’s performance of the Tower Hamlets Housing Strategy the key objectives of which were: Delivering and managing Decent Homes
 - Managing demand and reducing overcrowding
 - Emphasis on place-making and sustainable communities
 - New supply of housing and particularly social housing
 - Housing investment Strategy and a Local Investment Plan comprising of key housing projects.
- Good progress was reported on:
 - Right to Buy “buy backs”
 - Local authority new build and the Local Homes Initiative
 - Decent Homes Pilots
 - Leasehold Services audit
 - Choice Based Lettings, which was now live
 - Preferred Partner Registered Social Landlords (RSLs) for development in the borough
- Significant challenges remained:
 - The Decant Strategy
 - RSL aids and adaptations
 - Commercial units on estates
 - Maintaining Decent Homes/ RSL Asset Management including improved asset database
 - Guidance on housing design for BME communities
 - Identifying funding for housing, by far the biggest challenge

Mr Coker, Strategic Housing Manager – Development and Renewal additionally:

- Outlined the areas on which the first refresh of the Housing Strategy, adopted in 2009, had focused, as set out in the report.
- Highlighted significant risks to the delivery of the Housing Strategy's objectives:
 - Tower Hamlets Homes not achieving the two star management standard from audit inspectors required to unlock capital resources necessary to deliver decent homes standard on the stock it managed on behalf of the Council. Also the possibility that this funding may no longer be made available by the Coalition Government regardless of achieving two star status.
 - Potential reduction in funding available from the Homes and Communities Agency National Affordable Housing Programme 2011-2014. Key housing projects at risk as a result of this would be 2012 Olympic Park, Blackwall Reach/ Robin Hood Gardens and the Bromley by Bow Masterplan Area.
- Informed members of the Cabinet that the Decant Strategy which initially came out of the emergency allocation plan would move forward to examine under-occupancy.
- Advised that 15 preferred RSL partners had now been selected for delivery of new build social housing.
- Addressed, at the request of the Chair, the matters raised by the Overview and Scrutiny Committee, held on 1st September 2009, in relation to the report; as set out in the tabled sheets of questions/ comments/ advice presented by the Chair of the Overview and Scrutiny Committee earlier in the proceedings:

The Chair **Moved** the recommendations as set out in the report; and it was: -

Resolved

1. That the contents of the Annual Review (2009/10) (Appendix 1 to the report (CAB 017/101)) and the Annual Refresh 2010 (Appendix 2) be approved; and
2. That the changes to the Tower Hamlets Housing Strategy detailed in Appendix 2 to the report (CAB 017/101) be agreed.

6.2 Local Homes Initiative: Sale of additional land to Tower Hamlets Community Housing (CAB 018/101)

Councillor H. Abbas declared a personal interest in Agenda Item 6.2 "Local Homes Initiative: Sale of additional land to Tower Hamlets Community Housing" (CAB 018/101). The declaration of interest was made on the basis that the report contained recommendations relating to Tower Hamlets Community Housing, and Councillor Abbas was a former representative of the Authority on the governing body of Tower Hamlets Community Housing.

Councillor S. Islam declared a personal interest in Agenda Item 6.2 "Local Homes Initiative: Sale of additional land to Tower Hamlets Community Housing" (CAB 018/101). The declaration of interest was made on the basis

that the report contained recommendations relating to Tower Hamlets Community Housing, and Councillor Islam was a representative of the Authority on the governing body of Tower Hamlets Community Housing.

The Chair informed members of the Cabinet that an additional paragraph 6.4 to the report "Local Homes Initiative: sale of additional land to Tower Hamlets Community Housing" (CAB 018/101), which contained supplementary information relating to the valuation process, and a revised valuation figure, for the land recommended for disposal in the original report, had been **Tabled**, a copy of which would be interleaved with the minutes.

Ms Thomas, Private Sector and Affordable Housing Manager – Development and Renewal, at the request of the Chair, in introducing the report and tabled additional paragraph thereof, summarised the key points contained therein, highlighting in particular:

- Cabinet had approved the principles of the Local Homes Initiative in December 2008 and subsequently agreed further details of the scheme and disposal of 8 small sites to Tower Hamlets Community Housing (THCH) and Poplar HARCA. The disposals were conditional on obtaining planning consent to build family sized homes on the sites and obtain funding from the Homes and Communities Agency (HCA).
- Slow progress resulted in the 2009/10 HCA funding allocation being allocated to other schemes which were currently on site and due to deliver 23 three bedroom units by Spring 2012.
- THCH had received a 2010/11 HCA funding allocation of £3.925m, for 23 units for rent, but this had to be taken up by December 2010, with the trigger being start on site. The grant rate is over £170,000 per unit as this allocation was made over a year ago. The current average grant rate for LBTH was less than £100,000 per unit.
- Paragraph 4 of the report indicated that the number of sites currently available, just 13 units, would not provide sufficient units to take up the full HCA grant allocation. THCH were working on smaller schemes on their own land and anticipated being able to provide an additional 4 units.
- The site at Hessel Street, in Whitechapel, could provide 6 three bedroom units; and were Cabinet to agree disposal to THCH for £1, it would enable THCH to take up their full allocation of funding from the HCA.
- However the HCA funding for the scheme was dependent not only on obtaining planning consent, but also on continued availability which was not guaranteed. HCA funding rules were now changing frequently with announcements from the Coalition Government, for example substitutions into a funded programme were no longer permitted. In this context members of the Cabinet were advised by Ms Thomas, on behalf of the Corporate Director Development and Renewal, that recommendation 2.2 of the original report should be revised to make clear that disposal of the site at Hessel Street was subject to funding for the scheme being confirmed as available by the HCA under its revised value for money criteria.

- If substitute schemes could not be found by THCH the HCA funding would be re-allocated to other schemes in the East London Sub-Region which were deliverable.
- The tabled additional paragraph 6.4 of the report advised that with the passage of time since the report was drafted, and the receipt of new information regarding density of development (size and number of units that THCH feel can be accommodated on the site) the premise for the original valuation of the land at £160,000 had changed and the market value was now considered to be in the region of £600,000. This also required a revision to recommendation 2.2 of the original report which recommended disposal at a nominal sum noting the forgoing a capital receipt of £160,000 in exchange for 100% nomination rights. Also the conditions of disposal set out in paragraphs 6.2 and 6.3 of the original report were referenced in recommendation 2.2 and to these an additional paragraph 6.4 had been tabled.

A discussion followed, during which the proposals in the report were broadly welcomed, and which focused on the following points:-

- Clarification/ assurance was sought and given as to the number of family sized social for rent homes that could be obtained were the Hessel Street site disposed of at a commercial value and the capital receipt used for that purpose, in short did the disposal at a nominal value forgoing a capital receipt of £600,000 in exchange for 100% nomination rights to units of this type still represent good value for the Authority.
- Clarification/ assurance was sought and given regarding whether residents with a parking space in the Brady Street car park site allocated for housing had been provided with a parking space elsewhere.
- Councillor Ali, Lead Member Environment, considered that were the proposals agreed it was appropriate to ensure that the terms and conditions of the disposal included pavement provision (adjacent to the public highway) of the required width to allow for pedestrians to pass by the finished development comfortably; and proposed for the consideration of members of the Cabinet that the recommendations set out in the report be amended accordingly.

The Chair then **Moved** the recommendations contained in the original report (taking account of the Officer advice given on behalf of the Corporate Director Development and Renewal, by the Private Sector and Affordable Housing Manager, and the proposed amendment from Councillor Ali), and it was:

Resolved

1. That the site detailed at a) below and identified on the Ordnance Survey maps attached at Appendix 1 to the report (CAB 018/101), owned by the Authority (and held under provisions of Part II of the Housing Act 1985) be declared surplus to the Authority's requirements;

a) Land at 36-42 Hessel Street, Whitechapel, E1

2. That, subject to (a) below, the disposal of the Authority's interest in the site to Tower Hamlets Community Housing at a sum of £1, for the purposes of providing a scheme containing 100% affordable housing on the conditions set out in paragraphs 6.2, 6.3 and 6.4 [latter paragraph tabled] of the report (CAB 018/101); noting that the Authority would forego a Capital Receipt of £600,000 in exchange for obtaining 100% nominations to family sized social rented homes, be authorised; and
 - (a) That funding be confirmed as available by the Homes and Communities Agency under its revised value for money criteria.
3. That the Director of Development and Renewal be authorised to negotiate the final details of the disposal of the land and that these include adequate pavement provision adjacent to the public highway.

7. A PROSPEROUS COMMUNITY

7.1 Pupil Place Planning and School Estate Strategy (CAB 019/101)

Councillor D. Jones declared a personal interest in Agenda Item 7.1 "Pupil Place Planning and School Estate Strategy" (CAB 019/101). The declaration was made on the basis that the report contained recommendations relating to secondary schools in general and Mulberry Secondary School specifically and Councillor Jones was a member of the governing body of Mulberry Secondary School.

Please note that the order of business was varied by resolution of the Cabinet earlier in the proceedings in order to allow this item to be considered following Agenda Item 4.0 "Deputations and Petitions", however for ease of reference the deliberations of the Cabinet, and subsequent decisions taken, are set out below in the order detailed in the agenda.

Ms Cattermole, Acting Corporate Director Children, Schools and Families, at the request of the Chair, in introducing the report summarised the key points contained therein, highlighting in particular:

- That the report provided an update on pupil projections and the Authority's associated strategy to meet its statutory duty to provide places for students.
- The Authority's Pupil Place Planning statement, originally prepared in January 2008, had now been reviewed by Officers in Children Schools and Families and Development and Renewal directorates to take account of a variety of factors including: known/ projected birth rates, school census data, student yield from planned housing developments (with a watching brief on new development), sustainable delivery of educational provision to meet demand, demographic movements (in and out of borough, including new arrivals of statutory school age).

Projections of population growth and the associated projections for school places to 2020 had been revised accordingly.

- The elements of the school estate strategy to meet rising demand for both primary and secondary school places and associated funding plans:
 - Primary: short term to be met by expansion of 5 existing schools. Longer term significant additional provision required in Central and east of borough by further expansions and two new primary schools (feasibility studies for expansion of 9 more primary schools underway).
 - Secondary: short term demand to 2014/15 to be met by expansion of number of forms of entry at existing schools, (detailed discussions underway with governing bodies) and an additional 8 form entry school included within the Building Schools for the Future Programme; also re-location of Bow Boys School. Demand additional to this post 2014 to be met by expansion/ refurbishment of existing estate and optimum usage of unused places.
- Further report to be presented to Cabinet by December 2010.
- Addressed the matters raised by the deputation in relation to the report earlier in the proceedings as follows:
 - Officers had liaised closely with the parents group from Wapping/Shadwell over past months, examined their proposals in detail and had made arrangements for them to visit John Orwell Sports Centre.
 - An options appraisal had been undertaken to inform the Authority's strategy to meet forecast growth at secondary level, starting by looking at sites owned by the Authority and those suitable for new school build.
 - A more detailed options appraisal would be undertaken for growth beyond 2015, and the outcomes reported to Cabinet in December 2010, with the Wapping/Shadwell parents group proposal given careful consideration as part of this process.
 - The Authority's proposed strategy up to 2014-15 is to create additional forms of entry at existing schools and to relocate Bow Boys to a site at Bow Lock, the feasibility study for this site was ongoing. Further growth thereafter was predicted, and this would involve identifying a site for a "new" school.
 - Under Coalition Government legislation any new school would be subject to competition. This means that parties would be invited to bid to run and operate the school and this could be the local authority, charities or other interest groups. On the other hand, free or "additional" schools as they are now referred to are independent schools and will be classified as Academies.
 - Any "additional" school will require a business case and this will be submitted to the New Schools Network. At this point the viability of the business case will be tested and agreement to a new school will be subject to the parties finding a site with the appropriate facilities.
 - Officers and Members were sympathetic to the case presented by the deputation earlier in the proceedings and the Acting

Corporate Director Children Schools and Families committed to including it as part of the options appraisal review. However it was important to note, that the Council had a statutory duty to provide school places to all young people in Tower Hamlets and the Authority's planning must therefore be on a borough-wide basis.

A discussion followed, during which the proposals in the report were broadly welcomed, and which focused on the following points:-

- Concern was expressed in relation to the expansion of Wellington Primary School regarding access/ road safety issues for the additional students, and the need for the Authority to work towards viable communities around schools.
- Clarification/ assurance was sought and given regarding previous proposals for a bulge class at Olga Primary School which no longer appeared to be included within the Pupil Place Planning Strategy.
- Concern was expressed regarding the safety of school students needing to cross The Highway, a major arterial road in Wapping, and clarification/ assurance was sought as to whether a feasibility study had been undertaken in respect of constructing an underpass or overpass at the western end of this. The Acting Corporate Director Children Schools and Families undertook to liaise with Communities, Localities and Culture directorate and also Transport for London regarding making the case for this crossing.
- Consideration with regard to the potential relocation of Bow Boys School at the Bow Lock site, located to the east of the Blackwell Tunnel Approach, that detailed planning must be undertaken as to how students would access the site particularly those students in Bow East and Bow West wards. The Acting Corporate Director Children Schools and Families assured the Member that this was in hand.
- Commented that one of the attractions of the proposal for a secondary school in the Wapping area was that it would ease pressures of demand at the centre of the borough which would be beneficial elsewhere.
- Clarification was sought and given in relation to the impact of new academies in the London Borough of Hackney on the intake of students to secondary schools in Tower Hamlets.

The Chair requested that Officers take account of the comments/ suggestions made by members of the Cabinet during their deliberations, and subsequently **Moved** for the consideration of members of the Cabinet, that recommendations 2.2 to 2.5 as set out in the report be agreed; and in relation to recommendation 2.1 "That the contents of the report be noted"; and it was:-

Resolved

1. That the content of the report (CAB 019/101) be noted; also noting that the population growth which it projects will have implications for wider Council and public services beyond statutory education provision;

2. That it be noted that officers are continuing to develop feasibility studies for the provision of a new school(s) on Bow Lock and Southern Grove and that it be agreed that the outcome of these studies is reported back in December 2010;
3. That the strategy in response to the projected increasing demand for secondary school places beyond 2014/15 be agreed, also noting that this demand will exceed capacity in spite of the plan to provide a new 8 form entry (FE) secondary school;
4. That the strategy in response to the projected increasing demand for primary schools places up to 2020 be agreed; and
5. That relevant Council officers be instructed to identify and shortlist suitable sites and associated resource for educational use, whether council or privately owned, to meet this demand and report on this by November 2010.

7.2 Wellington Primary School and Phoenix Special School - Decisions on statutory proposals (CAB 020/101)

Councillor D. Jones declared a personal interest in Agenda Item 7.2 "Wellington Primary School and Phoenix Special School - Decisions on statutory proposals" (CAB 004/101). The declaration was made on the basis that the report contained recommendations relating to schools in general and Councillor Jones was a member of the governing body of Mulberry Secondary School.

Cabinet members welcomed in particular the proposal contained in the report for the addition of a sixth form at Phoenix School, which responded to the need for sufficient and appropriate school places for post 16 students with Special Educational Needs.

The Chair **Moved** the recommendations as set out in the report; and it was: -

Resolved

1. That the contents of the report (CAB 020/101), including the published statutory proposals for Wellington School at Appendix A and for Phoenix School at Appendix B of the report (CAB 020/101), be noted;
2. That the statutory requirements for the school organisation decision-making process and the considerations to be taken into account in making any decision, set out in paragraphs 6 and 7 of the report (CAB 020/101), be noted;
3. That the proposals as published for the expansion of Wellington Primary School from 1 September 2011 (attached as Appendix A to the report CAB 020/101) be approved; and

4. That the proposals as published for the addition of a sixth form at Phoenix School from 1 September 2010 (attached as Appendix B to the report CAB 020/101) be approved.

7.3 Update on Building Schools for the Future Programme (authorisation to enter into contracts) (CAB 021/101)

Councillor H. Abbas declared a personal interest in Agenda Item 7.3 "Update on Building Schools for the Future Programme (authorisation to enter into contracts)" (CAB 021/101). The declaration was made on the basis that the report contained recommendations relating to Swanlea Secondary School, and his son attended Swanlea Secondary School.

Councillor D. Jones declared a personal interest in Agenda Item 7.3 "Update on Building Schools for the Future Programme (authorisation to enter into contracts)" (CAB 021/101). The declaration was made on the basis that the report contained recommendations relating to secondary schools in general and referred specifically to Mulberry Secondary School, and Councillor Jones was a member of the governing body of Mulberry Secondary School.

Ms Cattermole, Acting Corporate Director Children, Schools and Families, at the request of the Chair, briefly introduced the report summarising the key points contained therein.

The Chair **Moved** the recommendations as set out in the report, noting that the Authority's Building Schools for the Future programme was one of the few that had not suffered from the recent cuts announced by the Coalition Government; and it was: -

Resolved

1. That the acceptance of the final tenders from Tower Hamlets Local Enabling Partner (The LEP) for the Design and Build Contracts for Swanlea and Harpley PRU, together with such ancillary services incidental to the BSF schemes, the terms of each agreement or document to be agreed by the Corporate Director of Development and Renewal provided and conditional upon each scheme being within the target cost figure of: Swanlea £16,345,518 and Harpley £6,626,924, as set out in paragraph 3.1 of the report (CAB 021/101), be authorised;
2. That the Corporate Director of Development & Renewal be authorised to accept the final tenders for Raines Foundation and Bowden, due to be agreed during August 2010, as long as they are contained within the funding envelope of £20,341,600 and £8,968,720 respectively, as set out in paragraph 3.2 of the report (CAB 021/101) and;
3. That the Corporate Director of Development & Renewal be authorised to enter into Design and Build contracts and any other ancillary

agreements, undertakings and obligations incidental to the BSF Scheme with TheLEP for each of the above projects outlined in resolutions 1. and 2. above; subject to final approval of all the contractual documents by the Assistant Chief Executive (Legal Services) .

7.4 Framework for Minor Works and Repairs (CAB 022/101)

Mr Naylor, Corporate Director Resources, at the request of the Chair, in introducing the report:

- Summarised the key points contained therein commenting that: the framework built on strategies approved in 2009/10, contributing to significant efficiencies to be realised from a closer management of the Council's third party spend; the importance of which had been set out by the Lead Member Resources in introducing his motion relating on the Budget report [Agenda item 10.2] earlier in the proceedings. The Council spend on responsive repairs and minor works was in the region of £25 million per annum and historically these activities had been undertaken in a series of arrangements which the proposed framework would streamline.
- The tighter framework would also bring improved opportunities for local small and medium size businesses, already supported by the Procurement Strategy which required competition for all Council spend under £25,000, and where local suppliers were preferred.
- Procurement practice would also be improved with improved legal compliance.
- Addressed the matters raised by the Overview and Scrutiny Committee, held on 3rd August 2010, in relation to the report; as set out in the tabled sheet of questions and comments presented by the Vice-Chair of the Overview and Scrutiny Committee earlier in the proceedings.

A short discussion followed, during which the proposals in the report were broadly welcomed, and which focused on the following points:-

- Clarification/ assurance was sought and given that the Authority's commitments to equalities including equal pay, trade union representation/ employee rights, the London Living Wage and local business in Tower Hamlets were being accommodated by the Authority's contractors/ suppliers and within the Framework for Minor Works and Repairs so far as was possible.
- Councillor Ali, Lead Member Environment, considered that the framework should include quality assurance mechanisms for works undertaken by the Authority's contractors, so that their performance could be monitored and appropriate action taken if this was not satisfactory; and proposed for the consideration of members of the Cabinet that the recommendations set out in the report be amended accordingly.

The Chair **Moved** the recommendations set out in the report (taking account of the amendment proposed by Councillor Ali); and it was: -

Resolved

1. That, subject to (a) below, the option of establishing a framework agreement for Minor Works and Repairs to cover the various speciality trades as Lots, be approved;
 - (a) Inclusion of quality assurance mechanisms where appropriate.
2. That the use of the framework for Minor Works and Repairs be compulsory unless otherwise agreed by Service Head Procurement and Corporate Programmes; and
3. That the Corporate Director of Resources be authorised to award the framework agreement for Minor Works and Repairs to the successful bidders.

7.5 Allocation process for Council-owned property to Third Sector Organisations (CAB 023/101)

Councillor A. Ullah declared a personal interest in Agenda Item 7.5 “Allocation process for Council-owned property to Third Sector Organisations” (CAB 023/101). The declaration was made on the basis that the report contained recommendations relating to the future process for the allocation of Council owned property to Third Sector organisations, and Councillor Ullah was Secretary for a local voluntary organisation which currently had access to Council owned premises.

Please note that the order of business was varied by resolution of the Cabinet earlier in the proceedings in order to allow this item to be considered following Agenda Item 5.1 “Overview and Scrutiny - Chair’s Advice of Key Issues or Questions in relation to Unrestricted Business to be considered”, however for ease of reference the deliberations of the Cabinet, and subsequent decisions taken, are set out below in the order detailed in the agenda.

Mr Naylor, Corporate Director Resources, at the request of the Chair, in introducing the report:, summarised the key points contained therein and addressed the matters raised by the Overview and Scrutiny Committee, held on 3rd August 2010, in relation to the report; as set out in the tabled sheet of questions and comments presented by the Vice- Chair of the Overview and Scrutiny Committee earlier in the proceedings:

A brief discussion followed which focused on the following point:-

- Councillor Islam, Lead Member Regeneration and Employment, commented that the criteria for assessing applications to transfer property owned by the Council, in terms of whether the proposed use of premises provided benefits to the community, required strengthening

with regard to the provision of supporting evidence from the electoral roll as to local representation on the organisation's board/ committee. He considered local representation on such a board should comprise of at least four local residents. Councillor Islam proposed, for the consideration of members of the Cabinet, that the recommendation set out in the report be amended accordingly.

The Chair **Moved** the recommendation set out in the report (taking account of the amendment proposed by Councillor Islam) commenting that suspicions were sometimes raised by current arrangements for the allocation of Council property, and therefore a formalised process which added transparency was welcome; and it was: -

Resolved

That subject to (a) below, the recommendations in this report be agreed, specifically:

- The proposed methodology for the allocation of Council-owned property for use by Third Sector organisations through appropriate leasing arrangements and a two stage process:
 - A stage one: Gateway Eligibility criteria
 - A stage two: Strategic Assessment criteria
- (a) Stage One: Gateway Eligibility criteria set out at Appendix 2 to the report be revised as follows: Question 1 Proposed use of premises provides benefits to the community: Supporting evidence provided, element c):
Following text to be deleted:
"Application form cross checked against the electoral roll register to demonstrate that the organisation's board or committee has some local representation (minimum of one person)".
Following text to be inserted:
"Application form cross checked against the electoral roll register to demonstrate that the organisation's board or committee has some local representation (minimum of four persons)".

8. A SAFE AND SUPPORTIVE COMMUNITY

The Clerk advised that there were no business to be considered under this section of the agenda.

9. A HEALTHY COMMUNITY

9.1 Children Schools and Families Contract Awards (CAB 024/101)

The Chair informed members of the Cabinet that the report had been withdrawn upon the advice of Ms Cattermole, Acting Corporate Director Children Schools and Families, to allow further development of the proposals, before submission to a future meeting of the Cabinet for consideration.

10. ONE TOWER HAMLETS

10.1 Strategic Performance and Corporate Revenue Budget Monitoring 2009/10 Year End Report (CAB 025/101)

Councillor Peck, Deputy Leader of the Council and Councillor Edgar, Lead Member Resources highlighted key points within the report and commented as follows:

- Significant achievements by the Council over the past year had included:
 - A reduction in the number of homeless families in temporary accommodation from 3000 to 2000 households.
 - A significant improvement in household waste recycling with the percentage rate approaching 30% or a 37% increase in household waste recycling.??
 - A 3.4% reduction in the proportion of children in the borough living in poverty.
- The above were measures of achievement, but the Coalition Government was sweeping away performance management by which public satisfaction with the provision of services by local authorities was measured, and this was not surprising given its major cuts in the funding of Public Sector Services. In this context The Council needed to re-examine how it would drive performance.
- The 2009/10 outturn in the General Fund which had been almost in line with budget, with a small under-spend of £31,000, was a testament to the financial management of the Authority's staff. However in the new environment of severe financial constraint financial management was even more important to prevent overspend.
- Substantial efficiency savings had been achieved in 2009/10 but they were not of the level required. In the context of severe Government funding cuts for the Authority there was a much sharper focus on efficiency savings and it was vital to ensure these were delivered.
- The report indicated that debt collection performance was below target and the importance of achieving these targets was emphasised.

A brief discussion followed which focused on the following points:-

- Councillor Ullah, Lead Member Community Safety, In referring to Appendix 2 "Strategic Plan Progress Report 2009/10", Priority 4.2 "Tackle and Prevent Crime", Activity 62 "Develop a drug intervention and enforcement policy", commented that this would encompass enforcement relating to the use of crack cocaine by children, although there was no evidence to suggest this was prevalent in Tower Hamlets.

- Councillor Francis, Lead Member Housing Heritage and Planning commended the work of Officers and of Tower Hamlets Homes in achieving the 2009/10 Housing Revenue Account outturn where there had been a minor under-spend. The performance well beyond target for service charge collection was also commended. However the target for rent collection of greater than 100% was considered to be beyond comprehension and accordingly it was requested that this be re-examined.
- Consideration that the number of books borrowed was a more appropriate performance indicator than the number of visits to libraries/ Idea Stores.

The Chair **Moved** the recommendations set out in the report; and it was: -

Resolved

1. That the 2009/10 performance including areas where further work is needed to ensure the Authority delivers improved outcomes be noted;
2. That Appendix 1 to the report (CAB 025/101) – Annual Report Performance Summary be approved for publication on the Council's website as an update on performance for residents;
3. That the Council's financial position as outlined in paragraphs 5.7-17 and detailed in Appendix 5 to the report (CAB 025/101) be noted; and
4. That the transfers to and from earmarked reserves, as set out in this report (CAB 025/101) and at Appendix 6 to the report, be approved.

10.2 Budget 2011/12 - 2013/14 - Resource Allocation and Budget Review (CAB 026/101)

Please note that the order of business was varied by resolution of the Cabinet earlier in the proceedings in order to allow this item to be considered following Agenda Item 7.5 "Allocation process for Council-owned property to Third Sector Organisations" (CAB 023/101), however for ease of reference the deliberations of the Cabinet, and subsequent decisions taken, are set out below in the order detailed in the agenda.

The Chair informed members of the Cabinet that Councillor Edgar, Lead Member: Resources, had **Tabled** a **Motion** in relation to the recommendations set out in the report, a copy of which would be interleaved with the minutes.

Mr Naylor, Corporate Director Resources, at the request of the Chair, in introducing the report summarised the key points contained therein, highlighting that:

- The report outlined the formal Budget planning process for 2011/12 and for setting a Three Year Budget for the period 2011/12 to 2013/14. The ultimate outcome of this process would be a set of proposals which would be submitted to full Council for consideration in March 2011.
- The report was one of a suite being submitted for Cabinet consideration in relation to the impact of Coalition Government announcements of cuts to Local Government funding in future years, and the Authority's planned response to this. The financial projections were based on a number of assumptions, based on both existing announcements and indications from Government.
- A key focus of the Authority's response to the savings required by Government was to tackle this in a three year plan which optimised opportunities to close the Budget gap through achievement of savings whilst also protecting priority front-line services as far as possible.
- Appendix D to the report outlined the key elements of the strategy to close the Authority's future Budget gap.

Councillor Edgar, Lead Member Resources, in **Moving** the tabled motion commented that: -

- It was important to place the proposals set out in the motion in the context of the existing announcement by the Coalition Government of £6.2 billion in public service spending cuts; and the response of the Authority's Cabinet to this, in July 2010, with agreement of approximately £8 million of savings. These had focused on reducing the number of agency staff and associated spend, vacancy, performance and sickness management, bringing forward efficiency savings, utilising under-spends and bearing down on supplier costs; and had been agreed early on with a view to protecting front line services.
- Since that point the Coalition Government had announced that public services, where the budget protected was not protected as a matter of policy, would face substantial spending cuts in real terms over the next four years of between 25% and 40%; a grim prospect. This was in addition to cuts in Area Based Grant (ABG), announced earlier in the year, which would have the greatest impact on boroughs that were most in need. The per capita impact of this in Tower Hamlets was double that in the Prime Minister's constituency, and this gave some indication of the Coalition Government approach.
- The impact of the projected cuts in Local Government funding for Tower Hamlets was thought to be in the range of £57 million and million over the next 3 years. The cuts in revenue grant and 40% cuts

in ABG would have a particular impact on areas of East London such as Tower Hamlets.

- Appendix D to the report outlined the Administration's strategy to optimise savings of certain types:
 - Better procurement
 - Streamlining management arrangements
 - Better asset management such as buildings
 - Smarter and more flexible working by staff
 - Improved income collection arrangements.
 - Optimising opportunities of ICT to provide more flexible and efficient services.

with a view to protecting services which were important to the residents of Tower Hamlets and made a big difference to their lives such as:

- Supporting schools which were raising achievement.
- Provision of opportunities for young people aspiring to a better life and career.
- Maintaining good work to support the elderly and other vulnerable elements of the Community.

Driving savings of this nature was the best chance the Council had of minimising the impact of cuts on services that benefited the community and met the needs of its vulnerable elements, which it had worked hard to provide.

- Emphasising the importance of understanding the impact of spending cuts on different elements of the community, in particular the importance of equality impact assessments in this regard. Also the importance of an extrospective approach reflective of the impact of the spending cuts on other agencies/ partners who provided services to residents of the borough, and taking account of the bigger picture including these agencies when making the required spending cuts.
- Concluding by commending the motion's proposals to the Cabinet.

A discussion followed, during which the proposals in the motion were endorsed, and which focused on the following points:-

- The importance attached by the Lead Member Resources to understanding the equalities impact of spending cuts across the borough was welcomed.
 - Noted the conclusions of a recent report by Yvette Cooper: that 75% of the impact of such cuts would impact on women, and that of the Fawcett Society: that the Government could be in breach of its legal obligations in this regard; also noted the indication that this provided of the Government's lack of interest in the equalities impact of its approach to public sector spending cuts.
 - Consideration that the attack on benefits and the threat to secure tenancies in social housing by the Coalition Government would have a tremendous impact on some elements of the Community in Tower Hamlets; and requested, in this context, that the Leader of the Council work with the Authority's partners to minimise the equalities impact of cuts in public service across the borough.

- Commented that with the drip feed of announcements on spending cuts from the Coalition Government, the proposals contained in the motion were inevitable. Consideration that the Lead Member Resources was right to anticipate and prepare for cuts in the Revenue Support Grant in the region of 25% and also the significant risk to Area Based Grant for Tower Hamlets, cuts thought to be in the region of £5 million ABG and £8 million in other grants. Commented also that it was important to note the practical meaning of ABG: it included £15 million received by the Council, half of which was used to support provision of sheltered accommodation for the elderly and half to support provision of housing for vulnerable homeless people.
- Consideration also that this level of cuts (including 50% in ABG) would make management of the process with a view to protecting services extremely difficult. Confidence was expressed that the Lead Member would strive to prevent the proposal of savings that would undermine the Authority's ability to provide services, however in the context of the huge savings of approximately £70 million over 3 years in addition to the £8 million already agreed clarification/ assurance was sought and given that the process of identifying savings would focus on reducing back office costs of administration/ bureaucracy before challenging service cuts were proposed.

The Chair formally **Seconded** the motion as tabled, commenting that:

- The calculated approach of the Coalition Government to public service spending cuts had been noted by the Cabinet.
- The pro-active approach set out in the report, and motion from the Lead Member Resources, in responding to these cuts had been welcomed by the Cabinet.
- The Labour Administration was working closely with the Trades Unions to find the best way of protecting jobs and services for local residents.
- It was important to work in partnership with other providers of public sector services to minimise the impact of cuts on public services which as a whole made a huge contribution to the quality of life of local residents.
- The commitment of the councillors from the Conservative and Liberal Democrat group to lobby Government, in relation to cuts in funding for Tower Hamlets, had been noted welcomed at the last Cabinet meeting in July.

and it was:-

Resolved

- 1 That the financial outlook and medium term projection set out in the report (CAB 026/101) including the announcement by the Government of public spending cuts averaging 25% over the four years from 2011/12 to 2014/15, be noted.
- 2 That the outcome of the review of the budget for 2010/11 and officers' advice on the risks of additional costs falling in 2010/11- 2013/14, be

noted and the Medium Term Financial forecast for 2011/12-2012/13 also be noted;

- 3 That the approach to developing the Strategic Plan, set out in Section 4 of the report, (CAB 026/101), be noted;
- 4 That the position in relation to funding for the capital programme be noted, and it be agreed that non ring-fenced capital resources from Government should be treated in the same way as locally generated funding for capital planning purposes;
- 5 That the position in relation to the Housing Revenue Account be noted, and a three year savings target of £4.7m by the end of 2013/14 be agreed;
- 6 That the Authority's Corporate Management Team prepare service and financial planning submissions in accordance with a savings target for the General Fund revenue budget of £57.5m over the period 2011/12 to 2013/14, as set out in Appendix A to the report (CAB 026/101), and a savings target for Area Based Grants of £12.7m over the same period; giving a total savings target of £70.2m;
- 7 That it be agreed that the Cabinet's priority of protecting frontline services, (in particular the priority of achieving a safe and secure community for all residents of Tower Hamlets), and the themes emerging from the Service Options Review, attached at Appendix D to the report (CAB 026/101), provide the framework for achieving the savings target of £70.2m;
- 8 That savings options should include an assessment of the equalities impact;
- 9 That the timetable set out in Appendix G to the report (CAB 026/101) be agreed;
- 10 That £2.5m be earmarked from General Reserves to fund work required to conclude a variation to the Council's Grouped Schools PFI contract, and that the Chief Executive be authorised to agree expenditure of sums up to this amount; and
- 11 That the Corporate Director Resources be authorised to allocate reserves set aside for measures to manage transformation and improve efficiency, in order to progress work to identify savings.

11. ANY OTHER UNRESTRICTED BUSINESS CONSIDERED TO BE URGENT

The Clerk advised that there were no business to be considered under this section of the agenda.

12. UNRESTRICTED REPORTS FOR INFORMATION

12.1 Treasury Management Activity for Period Ending 31 May 2010 (CAB 026/101)

The Chair **Moved** the recommendation as set out in the report and it was: -

Resolved

That the contents of the report (CAB 026/101) be noted.

13. EXCLUSION OF THE PRESS AND PUBLIC

The Chair **Moved** and it was: -

Resolved:

That pursuant to regulation 21(1)(b) of the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000, the press and public be excluded from the remainder of the meeting:

- (a) As it was likely, in view of the nature of the business to be transacted in Section Two of the agenda, that if members of the public were present during consideration of this business there would be disclosure of exempt information.
- Exempt information is defined in section 100I and, by reference, Schedule 12A of the Local Government Act 1972 (“the 1972 Act”). To be exempt, information must fall within one of the categories listed in paragraphs 1 to 7 of Schedule 12A, must not fall within one of the excluded categories in paragraphs 8 and 9 and the public interest in maintaining the exemption must outweigh the public interest in disclosing the information.
 - Agenda item 14. “Exempt/ Confidential Minutes” (of the meeting of the Cabinet held on 7th July 2010) contained information
 - Relating to any individual.
 - The financial or business affairs of any particular person (including the authority holding that information).
 - Any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

(b) As although there is a public interest favouring public access to local authority meetings, in this case the Cabinet concluded that given the information contained in:

 - Agenda Item 14. “Exempt/ Confidential Minutes” (of the meeting of the Cabinet held on 7th July 2010) relating to
 - any individual.

- The financial or business affairs of any particular person (including the authority holding that information).
 - Any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.
- that the public interest in maintaining the exemption on the information outweighed the public interest in disclosing it.

14. EXEMPT / CONFIDENTIAL MINUTES

Minutes of the Cabinet meeting held on 7th July 2010 agreed.

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 SUPPORTIVE COMMUNITY

Nil Items.

19. A HEALTHY 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 7.55 p.m.

Chair, Councillor Helal Abbas
Cabinet