

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE CABINET

HELD AT 5.35 P.M. ON WEDNESDAY, 6 OCTOBER 2010

**ACTIVITIES HALL, GEORGE GREEN'S SCHOOL, 100 MANCHESTER ROAD,
ISLE OF DOGS, LONDON E14 3DW**

Members Present:

Councillor Joshua Peck (Vice-Chair)	(Deputy 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 Shiria Khatun	(Lead Member, Children's Services)
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 Ann Jackson	(Chair, Overview & Scrutiny Committee)
Councillor Gloria Thienel	

Others Present:

Officers Present:

Mark Abrahams	– (Interim Service Head Procurement and Programmes, Resources)
Andy Algar	– (Service Head Asset Management, Development & Renewal)
Isobel Cattermole	– (Acting Corporate Director, Children, Schools & Families)
Barry Clark	– (Administrative Support Officer Scrutiny & Equalities, Chief Executive's)
Deborah Cohen	– (Service Head, Commissioning and Strategy, Adults Health and Wellbeing)
Kevan Collins	– (Chief Executive)
Aman Dalvi	– (Corporate Director, Development & Renewal)

Isabella Freeman	– (Assistant Chief Executive [Legal Services])
Stephen Halsey	– (Corporate Director, Communities, Localities & Culture)
Fiona Heyland	– (Head of Waste Strategy Policy and Procurement, Public Realm, Communities Localities & Culture)
Afazul Hoque	– (Scrutiny Policy Manager, Scrutiny & Equalities, Chief Executive's)
Mark Hutton	– (Team Leader, Development Design & Conservation, Development & Renewal)
Chris Naylor	– (Corporate Director, Resources)
Toks Osibogun	– (Head of Valuation & Estates, Asset Management, Development & Renewal)
Louise Russell	– (Service Head Strategy & Performance, Chief Executive's)
Chris Saunders	– (Interim Political Advisor to the Labour Group, Chief Executive's)
Takki Sulaiman	– (Service Head Communications, Chief Executive's)
David Tolley	– (Environmental Health [Commercial] Service Manager, Communities Localities and Culture)
David Williams	– (Deputy Service Head, Planning and Building Control)
Angus Taylor	– (Executive Team Leader, Democratic Services, Chief Executive's)

COUNCILLOR J. PECK (VICE-CHAIR) IN THE CHAIR

WELCOME

The Chair:

- Opened the meeting by welcoming those present in the public gallery to the fourth meeting of the Cabinet to be held outside the Town Hall, being held in the Community with a view to promoting resident attendance and engagement with the democratic process. The first meeting in Bow, the second in Whitechapel, the third in Stepney Green, and now the Isle of Dogs.
- Also formally thanked the Head Teacher, staff and students of George Green's School, for their warm welcome and hosting of the Cabinet meeting. He also congratulated the students and staff on their recent excellent academic results, which were reflected boroughwide.
- Welcomed local Ward Councillors Archer and Thienel present in the gallery.

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 Deputy Leader of the Council [himself], and other Lead Members comprising the Cabinet present; 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 approximately 15 minutes, at 5.35pm, and that the meeting reconvene thereafter.

The meeting adjourned at 5.35pm

The meeting reconvened at 5.42pm

Walkabout Learning

Cabinet members commented on the learning from their walkabout which had taken place immediately before the Cabinet meeting. This had comprised of a group of Cabinet Members/ Chief Officers walking a circuit in the vicinity of George Green's School, for approximately 30 minutes. Comments received focused on the following issues:

- An elderly resident had expressed regret regarding a post war closure of a local swimming pool and also a children's paddling pool approximately 10 years previously. It was comforting that concerns were historic.
- Graffiti was evident and needed to be removed more quickly.
- Pot holes were also evident and expeditious mitigating action should be taken.
- Streets were clean, however there was some dog fouling in general.
- Pleasing to see signage welcoming pedestrians and cyclists, using the Greenwich Foot Tunnel, to the Borough.

Question & Answer Session

No questions were received from members of the public.

1. APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of:

- Councillor H. Abbas, Leader of the Council.

- Ms H. Taylor, Corporate Director Adults Health and Wellbeing for whom Ms D. Cohen, Service Head Commissioning and Strategy, Adults Health and Wellbeing, was deputising.

Noted.

2. DECLARATIONS OF INTEREST

Councillor J. Peck declared a prejudicial interest in Agenda item 6.3 “Future Contracting Approach for Waste and Public Realm Services” (CAB 044/101). The declaration of interest was made on the basis that the report contained recommendations which could have implications for a company with which Councillor Peck’s employer had a contract.

Councillor D. Jones declared a personal interest in Agenda item 6.1 “Conservation Strategy” (CAB 042/101). The declaration of interest was made on the basis that the report contained recommendations relating to conservation areas in Tower Hamlets and Councillor Jones lived in a conservation area in Tower Hamlets.

Councillor J. Peck declared a personal interest in Agenda item 6.1 “Conservation Strategy” (CAB 042/101). The declaration of interest was made on the basis that the report contained recommendations relating to conservation areas in Tower Hamlets and Councillor Peck lived in a conservation area in Tower Hamlets.

Councillor A. Ullah declared a personal interest in Agenda item 7.3 “Mainstream Grants Advice Service Corporate Match Funding Programmes – Arrangements for 2011 and beyond” (CAB 047/101). The declaration of interest was made on the basis that the report contained recommendations regarding the Mainstream Grants Advice Service which could have implications for the Wapping Bangladeshi Association, and Councillor Ullah was a member of the governing body of the Wapping Bangladeshi Association.

Councillor D. Jones declared a personal interest in Agenda item 8.1 “Food Law Enforcement Service Plan 2010/2011” (CAB 048/101). The declaration of interest was made on the basis that the report contained recommendations relating to the Tower Hamlets Primary Care Trust and Councillor Jones was a non-executive member of the governing body of the Tower Hamlets Primary Care Trust.

Councillor A. Ullah declared a personal interest in Agenda item 10.3 “Stifford Community Centre – Proposed new lease to facilitate redevelopment” (CAB 051/101). The declaration of interest was made on the basis that the report contained recommendations relating to Stifford Community Centre which was located in St Dunstan’s and Stepney Green Ward, and Councillor Ullah was one of the Ward Councillors for St Dunstan’s and Stepney Green Ward.

Councillor S. Ali declared a personal interest in Agenda item 10.3 “Stifford Community Centre – Proposed new lease to facilitate redevelopment” (CAB 051/101). The declaration of interest was made on the basis that:

- The report contained recommendations relating to Stifford Community Centre many users of which lived in Whitechapel Ward, and Councillor Ali was one of the Ward Councillors for Whitechapel Ward.
- Councillor Ali had been a member of the Authority’s Strategic Development Committee when an application for planning consent associated with the Stifford Community Centre had been considered.

Noted.

3. UNRESTRICTED MINUTES

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

Resolved

That the unrestricted minutes of the ordinary meeting of the Cabinet held on 8th September 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 the Stifford Tinsley, Jamaica, Redmans & Stepney Tenants and Residents Association Community Centre, to address them in respect of Agenda Item 10.3 “Stifford Community Centre – Proposed new lease to facilitate redevelopment”.

Variation to Order of Business

The Chair also indicated that he considered it appropriate that the Order of Business be varied so that following receipt of the deputation, consideration be given next to the report, contained in the agenda, 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 (at Agenda Item 4), Agenda Item 10.3 “Stifford Community Centre – Proposed new lease to facilitate redevelopment”. (CAB 051/101) 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 Stifford Tinsley, Jamaica, Redmans & Stepney

Tenants and Residents Association Community Centre, a copy of which would be interleaved with the minutes.

Following receipt of the deputation and points of clarification sought and given regarding:

- The nature of the activities to be provided from the re-developed Community Centre.
- The requirement by external organisations of a 99 year lease as a condition for provision of funding.

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. Hoque (Project Development Officer) and Mr S. Alam (Centre Manager), Stifford Tinsley, Jamaica, Redmans & Stepney Tenants and Residents Association Community Centre, in respect Stifford Community Centre – Proposed new lease to facilitate redevelopment” (CAB 051/101);

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 Development and Renewal 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 Jackson, 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 5th October 2010, in respect of the unrestricted business contained in the agenda for consideration, a copy of which would be interleaved with the minutes.

Councillor Jackson, Chair of the Overview and Scrutiny Committee, addressed members of the Cabinet:

- *Call In*

- Summarising the deliberations of the Committee regarding the “Call In” of the provisional decision of the Cabinet, taken on 8th September 2010, in respect of “Enforcement Policy and RIPA” (CAB 041/101) for members of the Cabinet.
- Informing them, in conclusion, that the Overview and Scrutiny Committee had endorsed the decisions previously taken by Cabinet, in relation to this matter, but additionally would review enforcement action at the same time as the Standards Committee.
- *Scrutiny Spotlight – Lead Member Housing, Heritage and Planning*
 - Outlining the key issues on which this discussion focused: Independent Review of Leaseholder Charges, achievement of the Decent Homes Standards, the impact on the cap on Housing Benefit, buy back of ex-council properties, rationalising the number of RSLs operating in the borough and use of the Private Rented Sector.
- *Performance and Budget Scrutiny*
 - Highlighting the key elements of the Committee’s consideration of the report “Strategic Performance and Corporate Revenue and Capital Budget Monitoring Quarter One 2010/11” to inform Cabinet consideration of the same report:
 - Overspends relating to the Communications Budget and the Housing Revenue Account.
 - Concern regarding underperformance relating to NI065 “Percentage of children becoming the subject of Child Protection Plan for a second or subsequent time”. Noted that ensuring the safety of young people was the overriding priority, but briefing paper from the Lead Member/ Corporate Director requested to identify specific reasons for underperformance.
 - Performance in delivering the ‘You Decide’ Participatory Budgeting Programme – recommendation that where it is anticipated that a project will not be delivered, alternatives are examined, for example releasing resources for visits to older people.
 - Budget management of concern particularly relating to the Capital Programme where the proportion of spend lagged behind the budgetary timeline and then accelerated towards the end of the financial year.
- *Scrutiny Challenge*
 - Reporting consideration/ agreement of the report arising from the scrutiny challenge session on Tower Hamlets Enforcement Officers (THEOs) and highlighting the key recommendations.
- *Reports of Scrutiny Working Groups*

Formally introducing the findings and recommendations of two Scrutiny Working Groups as follows:

Responses to the recommendations of the Scrutiny Working Group: Reducing Worklessness amongst Young Adults 18 – 24

 - Led by former Cllr Abdul Aziz Sardar with the aim of identifying the key barriers facing 18-24 year olds in gaining sustainable

employment and making recommendations on ways the Partnership could support this group to find employment. An important area given the scale of this problem across London and nationally.

- Key themes: developing opportunities for young adults and targeted groups, engaging with young adults through developing awareness and information, developing the role of the third sector in reducing worklessness and early intervention to support young people from an early age.
- Recommendations: over 20 put forward focused on ways the wider partnership could help reduce worklessness in the borough. The report and action plan welcomed by the Prosperous Community Plan Delivery Group, the Employment Task Group and the Achieving Economic Wellbeing Commissioning Delivery Group, and commended to Cabinet.
- Key message is that reducing worklessness is the responsibility of everyone and especially important in the current climate.

Response to the recommendations of the Scrutiny Working Group: Strengthening Local Community Leadership

- Led by Councillor Jackson and focused on how the Council could strengthen local community leadership in response to national drivers for strengthening the leadership role of councillors and scrutiny and also an opportunity to test out the proposals for a local model of “Councillor Call for Action”.
 - Outlined review methodology including a discussion with residents on how they can work with their community leaders to resolve complex issues.
 - Key findings: the Council was found to already be doing a lot of work to develop community leaders and ensure it reflected the local community. However more could be done to assist councillors to maintain their links with the community once elected including reducing bureaucracy and meetings.
 - Recommendations: several, at heart of which is developing a new model of community leadership to support Members to engage with local residents more fully. Also a need for innovative methods to increase resident participation in the democratic process and improve our partnership process; it was hoped development of the “Councillor Call for Action” and closer links to Local Area Partnerships (LAPs) would help address this.
- ***Key Issues or Questions (Pre Scrutiny)***
Informing members of the Cabinet that she 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 Conservation Strategy
 - Item 6.2 Neighbourhood Shops Policy
 - Item 6.3 Future Contracting Approach for Waste and Public Realm Services
 - Item 7.1 Contracts Forward Plan

- Item 7.3 Mainstream Grants Advice Service Corporate Match Funding Programmes – Arrangements for 2011 and Beyond.
- Item 8.1 Food Law Enforcement Service Plan 2010-2011.

The Chair thanked Councillor Jackson 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.

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

The Chair informed members of the Cabinet that no provisional decisions taken by the Cabinet, at its meeting held on 8th September 2010, had been referred back to Cabinet, by the Overview and Scrutiny Committee, for further consideration.

6. A GREAT PLACE TO LIVE

6.1 Conservation Strategy (CAB 042/101)

Councillor D. Jones declared a personal interest in Agenda item 6.1 "Conservation Strategy" (CAB 042/101). The declaration of interest was made on the basis that the report contained recommendations relating to conservation areas in Tower Hamlets and Councillor Jones lived in a conservation area in Tower Hamlets.

Councillor J. Peck declared a personal interest in Agenda item 6.1 "Conservation Strategy" (CAB 042/101). The declaration of interest was made on the basis that the report contained recommendations relating to conservation areas in Tower Hamlets and Councillor Peck lived in a conservation area in Tower Hamlets.

Mr Williams, Deputy Service Head Planning and Building Control, at the request of the Chair, in introducing the report:

- Briefly summarised the key points contained therein, highlighting in particular that:
 - The Conservation Strategy was the first of its kind in London and complied with the very latest in Planning Policy Guidance and was well supported by English Heritage. Officers hoped it would be used as an example of National Best Practice.

- The Strategy had been extensively consulted on with the local community who have been very supportive.
- Should Cabinet be minded to approve the Strategy, Officers would next develop an Action Plan to translate the document into priorities and associated action to ensure delivery.
- Addressed the matters raised by the Overview and Scrutiny Committee, held on 5th October 2010, in relation to the report; as set out in the tabled sheet of questions and comments presented by the Chair of the Overview and Scrutiny Committee earlier in the proceedings:

Mr Dalvi, Corporate Director Development and Renewal informed Cabinet that the Conservation Strategy contained cartoons by a local artist, which it had not been possible to remove prior to publication in the agenda papers, however these would be removed from the final published version of the Strategy.

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

- Considered that the Strategy was a very useful piece of work, which provided a good brief summary of the incredibly rich and varied cultural heritage of the borough. Once the action plan was in place both documents would provide a sound basis for identifying, protecting, improving and ensuring this cultural heritage was there for future generations. There would remain some contested elements of heritage, but these would be addressed as they arose.
- Welcomed, with reference to Section 10 of the report “Conservation Strategy Key Goals Summary”, Objective 6.6 - Increase enforcement to protect heritage”. Considered that the Council’s performance was poor in this regard and the service under-resourced. In the Roman Road Conservation Area enforcement had been poor with consequent detrimental effects on the conservation area and its residents. It was acknowledged that the Authority was working to address this, but a shift of resources to enforcement to protect heritage and deal with people that flouted the conservation regulations, would be welcomed.
- The Chair considered that the Council could take better advantage of opportunities for funding heritage related activities provided by the Heritage Lottery Fund; also that given significant past resourcing of the Third Sector Team it would be appropriate for a post in that team to be given responsibility for identifying and optimising such funding opportunities for both the Authority and external organisations. Accordingly he proposed the following additional recommendation, to those set out in the report, for the consideration of members of the Cabinet:
“That a post in the Third Sector Team within Chief Executive’s Directorate be made responsible for identification/ optimisation of opportunities for Heritage Lottery Fund funding for both the Authority and external organisations in the Borough.”
- Mr Williams, Deputy Service Head Planning and Building Control and Mr Hutton, Team Leader Development Design and Conservation and their Officer Team were formally thanked for their hard work in

developing the Strategy, which was a very good job towards protecting heritage and retaining the character of Tower Hamlets.

- Commented that the Action Plan to be developed to ensure delivery of the Strategy would need to contain practical steps to enhance heritage. The Strategy referred to “at risk” heritage and it was vital for Officers and Members to pick such issues up and pro-actively take them forward. Some would require substantial funding to achieve and therefore could not be done easily, although incremental improvement over a period of years should be possible. Others were of a lesser scale, more readily achievable and the action plan should reflect this. It was also hoped that a voluntary sector role in identifying such issues could be developed in the future.
- Commented that it was understood that a number of residents were keen to produce a pamphlet on the social heritage of Tower Hamlets, and had indicated they would do so free of charge. Consideration that it would be a positive step to publish this in Olympic Year in an easily accessible format, and requested that Officers look into this suggestion.
- Commented that the content of the Conservation Strategy relating to the rich and varied cultural heritage/ history of the borough should be distilled into some pages on the Council’s website where they could be easily accessed for educational purposes.

The Chair **Moved** that the recommendations as set out in the report (taking account of the additional recommendation he had proposed during the deliberation of this item), be agreed; and it was:-

Resolved

1. That the Conservation Strategy set out in Appendix I to the report (CAB 042/101) be approved; and the Director of Development and Renewal after discussion with the Leader of the Council and the Lead Member for Housing, Heritage and Planning be authorised to publish the Strategy making minor changes, further desktop publishing or work on the layout;
2. That the Director of Development and Renewal be authorised to produce and publish a Strategy Delivery Workplan after discussion with the Lead Member for Housing Heritage and Planning; and
3. That a post in the Third Sector Team within Chief Executive’s Directorate be made responsible for identification/ optimisation of opportunities for Heritage Lottery Fund funding for both the Authority and external organisations in the Borough.

6.2 Neighbourhood Shops Policy (CAB 043/101)

Mr Osibogun, Head of Asset Management, Corporate Property Services, at the request of the Chair, in introducing the report:

- Briefly summarised the key points contained therein, highlighting in particular that:
 - The Authority currently owned approximately 270 shops producing income, amounting to just over £2 million per annum currently.
 - The availability of a wide range of goods locally improves accessibility for those less able to travel to district shopping centres, especially the elderly and disabled.
 - Officers considered it important to ensure the Authority had a consistent approach to the way its shops were managed and had therefore drafted a Shops Policy, Appendix 1 to the report, which was now before the Cabinet for consideration.
- Addressed the matters raised by the Overview and Scrutiny Committee, held on 5th October 2010, in relation to the report; as set out in the tabled sheet of questions and comments presented by the Chair of the Overview and Scrutiny Committee earlier in the proceedings:

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

- Mr Algar, Service Head Asset Management and Mr Osibogun, Head of Asset Management, Corporate Property Services and their Officer Team were formally thanked for their contribution towards developing the Policy.
- Welcomed, with reference to paragraph 3.5 of the draft Shops Policy attached at Appendix 1 to the report, the proposed approach, and its clarity, to A3, A5 [restaurant/ hot food, take away) and A2 [financial services] uses. This addressed Member concerns regarding health/ healthy eating, dead shop frontage in daytime hours and Anti Social Behaviour implications. It also addressed the rapid negative impact on the economic viability of an area where shops were converted to office use.
- Clarification/ assurance was sought and given regarding the avenues for businesses, located on the ground floor of blocks underneath housing units, to identify the party responsible for dealing with communal issues such as faulty stack pipes.
- Clarification/ assurance was sought and given regarding the avenues for businesses where small plots of adjacent land were used to dump rubbish to have this problem dealt with.

The Chair in **Moving** for the consideration of members of the Cabinet that:

- In relation to recommendation 2.1 contained in the report, that the draft Shops Policy, as set out in Appendix 1 to the report, be noted.
- Recommendation 2.2, as set out in the report be agreed.

commented that:

- The performance of the Authority's property management service had dramatically improved in recent years.
- The proposed policy would provide a consistent approach to the way its shops were managed, and was pro-active not re-active, as before,

particularly with regard to the proposed approach to A3, A5 [restaurant/ hot food, take away) and A2 [financial services] uses.

And it was:-

Resolved

1. That the draft policy set out in Appendix 1 to the report (CAB 043/101) be noted; and
2. That the Corporate Director of Development and Renewal be authorised to consult on the draft policy.

6.3 Future Contracting Approach for Waste and Public Realm Services (CAB 044/101)

Councillor J. Peck declared a prejudicial interest in Agenda item 6.3 “Future Contracting Approach for Waste and Public Realm Services” (CAB 044/101). The declaration of interest was made on the basis that the report contained recommendations which could have implications for a company with which Councillor Peck’s employer had a contract.

Councillor J. Peck, (Vice-Chair in the Chair) having declared a prejudicial interest in Agenda item 6.3 withdrew from the proceedings at the commencement of consideration of this item of business, being 6.45pm.

COUNCILLOR D. EDGAR, LEAD MEMBER RESOURCES IN THE CHAIR

Mr Halsey, Corporate Director Communities Localities and Culture, at the request of the Chair in introducing the report:

- Briefly summarised the key points contained therein, highlighting in particular that:
 - Proposed a short/ medium term and longer term approach for the Authority’s future waste management arrangements. In the longer term it was proposed that a series of public realm service and works contracts were brought together and re-packaged with a view to improved service delivery and deliver efficiency savings and cost avoidance. However in the short term it was proposed that existing contracts be varied/ extended in order to allow Officers and Members time to identify and work through the most appropriate approach to the longer term objective, and authority to undertake the variation be delegated to himself after consultation with the Lead Member.
 - The waste and public realm contracts to which the approach referred to above would apply, together with the timescales involved, were set out at paragraph 6.11 and Appendix A of the report.

- Addressed the matters raised by the Overview and Scrutiny Committee, held on 5th October 2010, in relation to the report; as set out in the tabled sheet of questions and comments presented by the Chair of the Overview and Scrutiny Committee earlier in the proceedings:

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

- Consideration that the bringing together of waste and public realm contracts for re-packaging was a big exercise and it would be important to take great care with this, and in particular the arrangements for management of the new contracts, to both secure the anticipated benefits but also to avoid the pitfalls and difficulties that could arise. The process was clearly designed to be thorough but the outcome of such processes in the past had not always been successful.
- It would be important to have in place an effective compliance framework for the new re-packaged waste and public realm contracts, and there was a role for Overview and Scrutiny to take on here.
- Clarification/ assurance was sought regarding the placement of paladin bins in inappropriate locations after waste collection, by the operatives of the Council's contractor. Corporate Director Communities Localities and Culture to follow this up with the relevant Cabinet member outside the meeting.

The Chair in **Moving** the recommendations as set out in the report, commented that the Cabinet was conscious that substantial work was yet to be undertaken to put the new waste/ public realm contract framework in place, but it was important to agree the proposals in the report in order for the Authority to place itself in a position to do so; and it was:-

Resolved

1. That the proposed contracting approach for short to medium term waste disposal arrangements be approved, including the possible extension of the Veolia Contract; and
2. That the Corporate Director Communities Localities and Culture be authorised, following agreement with the Lead Member for Environment, to
 - (a) finalise contract negotiations with Veolia, including extending the Waste Disposal Contract for a period up to the extension term allowed in the contract and combining other waste collection and recycling activities within the Municipal Waste Cleansing Contract as appropriate.
 - (b) negotiate to vary the waste management cleansing contract with Veolia.
 - (c) negotiate where legally possible to extend any of the other Public Realm services contracts detailed at paragraph 6.11 of the report (CAB 044/101) which will require an extension so an integrated contract can be procured.

- (d) after consultation with the Assistant Chief Executive (Legal Services), authorise and enter into any necessary deeds of variation of agreements in respect of these contracts
 - (e) commence any necessary procurement process in the event negotiations are not successful.
3. That the future contracting approach for Public Realm services and works contracts [set out in the report CAB 044/101]) be approved in principle.

Councillor J. Peck, (Vice-Chair) re-entered the proceedings following the conclusion of the Cabinet deliberations in respect of this item, being 6.51pm.

COUNCILLOR J. PECK (VICE-CHAIR) IN THE CHAIR

7. A PROSPEROUS COMMUNITY

7.1 Contracts Forward Plan (CAB 045/101)

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

- Briefly summarised the key points contained therein.
- Addressed the matters raised by the Overview and Scrutiny Committee, held on 5th October 2010, in relation to the report; as set out in the tabled sheet of questions and comments presented by the Chair of the Overview and Scrutiny Committee earlier in the proceedings:

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

- Councillor Edgar, Lead Member Resources, commented that the recommendation contained in the report requested that the Cabinet specifically identify contracts where it felt it appropriate that a further report required its consideration prior to contract award by Chief Officers under delegated authority. Accordingly Councillor Edgar proposed the following amendment to the recommendation set out in the report for the consideration of members of the Cabinet:
“That a specific report relating to contracting strategy/ contract award be submitted for Cabinet consideration in respect of the following contract, prior to contract award by an appropriate Chief Officer for the service area:
 - DR3232 “Temporary Accommodation”
- Clarification/ assurance was sought and given that where the Cabinet had previously requested that reports regarding specific contracts be brought to Cabinet for consideration prior to award of contract by Chief Officers, these had been reported, where that was appropriate in the context of contractual timelines, or would be so reported to a future Cabinet meeting.

- Clarification/ assurance was sought regarding an automated telephony service which was not responsive where people spoke with an accent and required review. Mr Naylor undertook to attend the next meeting of the Overview and Scrutiny Committee to provide a detailed response.

The Chair **Moved** both recommendations set out in the report (taking account of the amendment proposed by Councillor Edgar) with the following further amendment in relation to recommendation 2.1, for the consideration of members of the Cabinet: "That the contract summary attached at Appendix 1 to the report be noted"; and it was: -

Resolved

1. That the contract summary at Appendix 1 to the report (CAB 045/101) be noted; and
2. It be agreed that a specific report, relating to contracting strategy/ contract award be submitted for Cabinet consideration in respect of the following contract, prior to contract award by an appropriate Chief Officer for the service area:
 - DR3232 "Temporary Accommodation"
3. That the relevant Corporate Director who holds the budget for the service area be authorised to award the contract or contracts listed in Appendix 1 to the report (CAB 045/101) where Cabinet do not require a further report (see resolution 2 above), and after consultation with the Assistant Chief Executive (Legal Services), to arrange for the execution of all necessary contract documents.

7.2 Responses to the recommendations of the Scrutiny Working Group: Reducing Worklessness amongst Young Adults 18-24 (CAB 046/101)

Clarification/ assurance was sought and given as to whether it would be necessary for the report/ recommendations of the Scrutiny Working Group and associated action plan to be brought back for Cabinet consideration in the context of the imminent Coalition Government announcement of the funding available for Tower Hamlets, as some of the action plan may not be deliverable due to lack of resources.

The Chair:

- In **Moving** for the consideration of members of the Cabinet that:
 - In relation to recommendation 2.1 contained in the report, that the report of the Scrutiny Working Group on Reducing Worklessness amongst Young Adults 18-24, as set out in Appendix 1 to the report, be noted.
 - Recommendation 2.2, as set out in the report be agreed.
- Commented, with reference to the action plan attached at Appendix 2 to the report, that the section summarising resource implications of the scrutiny working group recommendations was a good principle and should be adopted for all future reports of this kind.

- Summarised by formally thanking former Councillor A.A Sardar for the time and effort he had invested in the scrutiny review. It was a good report that probed the underlying reasons as to why a large number of young people with good A levels, GCSEs and degrees could not secure work.

And it was: -

Resolved:

1. That the report of the Scrutiny Working Group on Reducing Worklessness amongst Young Adults 18-24, as set out in Appendix 1 to the report (CAB 046/101), be noted; and
2. That the response to the recommendations from the Scrutiny Working Group, as set out in Appendix 2 to the report (CAB 046/101), be agreed; noting that continuing consideration is to be given to the emerging policy changes and public sector funding decisions of the new Coalition Government that have been made since the agreement of these recommendations by the Overview and Scrutiny Committee in March 2010.

7.3 Mainstream Grants Advice Service Corporate Match Funding Programmes - Arrangements for 2011 and Beyond (CAB 047/101)

Councillor A. Ullah declared a personal interest in Agenda item 7.3 "Mainstream Grants Advice Service Corporate Match Funding Programmes – Arrangements for 2011 and beyond" (CAB 047/101). The declaration of interest was made on the basis that the report contained recommendations regarding the Mainstream Grants Advice Service which could have implications for the Wapping Bangladeshi Association, and Councillor Ullah was a member of the governing body of the Wapping Bangladeshi Association.

Councillor A. Ullah, withdrew from the meeting following the conclusion of the Cabinet deliberations in respect of agenda item 10.3 considered earlier in the proceedings following a variation of the order of business, and did not return to the proceedings.

Ms Russell, Service Head Strategy and Performance, at the request of the Chair, in introducing the report:

- Summarised the key points contained therein, highlighting in particular:
 - The Authority's Advice Service moved from a grant funding to a 'needs led' commissioning approach in 2008, and was now due to be re-commissioned in April 2011. However it was proposed that commissioning be delayed and current contractual arrangements be rolled over for 1 year. The rationale for this was based on:
 - General uncertainty around the national funding situation and the budgetary implications for Tower Hamlets.

- Structural changes in the Advice Sector and cessation of some funding regimes.
- A strong business case for continued advice provision, given levels of demand and in the context of welfare reform being introduced by Government.
- A recent review had shown current service providers were performing well.

It was considered that a period of stability was needed to allow an opportunity to develop the best sustainable programme for commissioning local advice services in the context of known resources.

- The Corporate Match Funding (CMF) budget had been used to fund Third Sector organisations and the annual programme was due to be re-commissioned in April 2011. However this too was dependent on the Authority's Budget setting process and the decisions arising in December/ January. Additionally the CMF programme needed to be congruent with the Employment Strategy, due for consideration in the near future. It was therefore proposed that current commissioning arrangements be extended for 3 months to align the CMF and Budget process.
- Addressed the matters raised by the Overview and Scrutiny Committee, held on 5th October 2010, in relation to the report; as set out in the tabled sheet of questions and comments presented by the Chair of the Overview and Scrutiny Committee earlier in the proceedings:

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

- Consideration that it was entirely sensible for the CMF process to be aligned with the Authority's Budget process, but clarification/ assurance was sought and given that a "one off" re-alignment was required to effect this and avoid future timing problems. Also clarified that the Mainstream Grant funded Commissioning process would be aligned with the Budget process from April 2012.
- Consideration that it was very important to maintain advice services for at least a year, as cuts in Housing Benefit would have a huge impact on demand for the service, but endorsed the general approach to re-commissioning proposed.
- Whilst acknowledging the rationale for the proposed 3 month extension to current CMF commissioning arrangements, concern was expressed that there must be no scope for a repetition of recent history: when the Neighbourhood Renewal Fund had been replaced by the Working Neighbourhood Fund, a long term arrangement needed put in place but existing arrangements were extended by 3 months several times and the Authority found itself in the position of having spent approximately £4 million without having undertaken a commissioning process. In this context assurance was sought of and given by Ms Russell, Service Head Strategy and Performance, that the proposed 3 month roll forward of existing CMF commissioning arrangements was a "one off" and if a further extension was proposed this would be reported to Cabinet for further consideration.

- Noted typographical errors in the timescales set out in paragraph 6.33 of the report and requested that these be corrected.

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

Resolved

1. That the business case for continuing to provide Advice Services, as set out in paragraphs 6.1 to 6.4 of the report (CAB 047/101), be noted;
2. That the recommendations relating to the timetable for re-commissioning Advice Services, as set out in paragraphs 6.17 to 6.20 of the report be agreed:
 - (a) That current arrangements are 'rolled-over' to 2011/12;
 - (b) That services be re-commissioned in 2012 for the period 2012/15;
3. That the way forward for commissioning Corporate Match Funding projects, as detailed in paragraphs 6.31 to 6.35 of the report (CAB 047/101), be agreed;
4. That Service Agreements for projects currently funded by Corporate Match Funding be extended for three months to 30 June 2011, as set out in paragraph 6.35 of the report (CAB 047/101).

8. A SAFE AND SUPPORTIVE COMMUNITY

8.1 Food Law Enforcement Service Plan 2010-2011 (CAB 048/101)

Councillor D. Jones declared a personal interest in Agenda item 8.1 "Food Law Enforcement Service Plan 2010/2011" (CAB 048/101). The declaration of interest was made on the basis that the report contained recommendations relating to the Tower Hamlets Primary Care Trust and Councillor Jones was a non-executive member of the governing body of the Tower Hamlets Primary Care Trust.

Mr Halsey, Corporate Director Communities Localities and Culture, at the request of the Chair in introducing the report, briefly summarised the key points contained therein, highlighting in particular the notable successes of the Environmental Health service during 2009/2010 set out at paragraph 5.7 of the report.

Mr Tolley, Environmental Health [Commercial] Service Manager, at the request of the Chair addressed the matters raised by the Overview and Scrutiny Committee, held on 5th October 2010, in relation to the report; as set out in the tabled sheet of questions and comments presented by the Chair of the Overview and Scrutiny Committee earlier in the proceedings:

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

- Councillor Edgar, Lead Member Resources, commented that the Environmental Health Service was clearly an important one, however additional clarity as to the elements it comprised would be useful. He considered that a fuller explanation of the nature of a Food Hygiene Inspection and a Food Standards inspection, why these were undertaken and the benefits arising from such inspections was required, and this should be included in the executive summary for the Food Law Enforcement Service Plan 2010/11. Accordingly he proposed, for the consideration of members of the Cabinet, that the recommendation contained in the report be agreed subject to this amendment:
- With reference to the first page of the executive summary for the Food Law Enforcement Service Plan 2010/11 [page 295 of the agenda], commented that the Council was successful in carrying out required food hygiene inspections (97.6%) but less successful in undertaking required food standards inspections (44%). Accordingly clarification/assurance was sought and given as to the reasons for the latter underperformance.

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

Resolved

That, subject to (a) below, the Tower Hamlets Food Law Enforcement Plan 2010/2011 and Food Sampling Policy, attached at Appendix 1 to the report (CAB 048/101), be approved.

(a) Inclusion within the Executive Summary of a fuller explanation of the nature of a Food Hygiene Inspection and a Food Standards inspection, why these were undertaken and the benefits arising from such inspections.

9. A HEALTHY COMMUNITY

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

10. ONE TOWER HAMLETS

10.1 Responses to the recommendations of the Scrutiny Working Group for Strengthening Local Community Leadership (CAB 049/101)

The Chair:

- In **Moving** for the consideration of members of the Cabinet that:
 - In relation to recommendation 2.1 contained in the report, that the report of the Scrutiny Working Group for Strengthening Local

Community Leadership, as set out in Appendix A to the report, be noted.

- Recommendation 2.2, as set out in the report be agreed.
- Welcomed, with reference to Appendix B “Response to Scrutiny Review Working Group Review on Strengthening Local Community Leadership” - Recommendation 13, that the Council would not be implementing the proposal regarding allocation of Ward based budgets. He acknowledged the recommendation had been made in good faith, but considered that in the current environment of financial constraint it made no sense and was not affordable.
- Summarised that the Council had been identified to already have strong community leadership, however the scrutiny review had been useful and provided the basis for taking this area of activity forward.

And it was: -

Resolved

1. That the report on Strengthening Community Leadership, as set out in Appendix A to the report (CAB 049/101), be noted; and
2. That the response to the recommendations from the Scrutiny Working Group, as set out in Appendix B to the report (CAB 049/101), be agreed; noting that continuing consideration is to be given to the emerging policy changes and public sector funding decisions of the new Coalition Government that have been made since the agreement of these recommendations by the Overview and Scrutiny Committee in April 2010.

10.2 Strategic Performance and Corporate Revenue and Capital Budget Monitoring Q1 2010/11 (CAB 050/101)

A brief discussion took place which focused on the following points:-

- Clarification/ assurance was sought and given, with reference to the projected budget overspends set out in Section 5 of the report that appropriate mitigating action was being taken to ensure there was no overspend at the financial year end. Mr Naylor, Corporate Director Resources added that the forecasts contained in the Quarter 2 Budget Monitoring report would reflect the outcomes of this mitigating action.
- Mr Naylor, Corporate Director Resources, advised members of the Cabinet that the budget monitoring information contained in the report did not yet reflect the “in year” savings of £7.63 million agreed by the Cabinet in July 2010. He continued by informing Cabinet that good progress was being made in respect of delivering/ implementing these and remedial action being taken if appropriate.
- The Chair noted that underperformance against target was reported in a number of areas of activity, and considered it appropriate that members of the Cabinet discuss this and associated mitigating action, where it related to their Lead Member portfolios, with Corporate Directors as appropriate. Accordingly he proposed, for the

consideration of members of the Cabinet, that recommendation 2.1 contained in the report be agreed subject to this amendment.

- Clarification/ assurance was sought and given, with reference to Appendix 1 "Tower Hamlets Index", Strategic Indicator 225 "Average time to re-let property (days), regarding the adverse direction of travel and red traffic light reported. Under performance in this area was a matter for Tower Hamlets Homes to address and performance was now improving with more robust monitoring by the Authority.
- Councillor Edgar, Lead Member Resources, commented that had attended the meeting of the Overview and Scrutiny Committee the previous evening and shared their interest in both significant underspends and overspends. He had noted their particular concerns regarding the expenditure profile for capital programmes, but had also been reassured by the response of officers that this was due to the timing of the projects involved. He had stated previously that capital underspend was of particular concern in the current environment of fiscal constraint, as if available funding was not used it could be lost, and in this context he would be monitoring rates of spend to ensure they were at an appropriate level. He would also take up the point raised about the importance of carrying out building works on time to maximise the accessibility of buildings.

The Chair **Moved** (taking account of the amendment he had proposed during the deliberation of this item), that

- In relation to recommendation 2.1 contained in the report, that Quarter One 2010/11 performance be noted including areas where further work was needed to ensure the Authority delivers improved outcomes.
- Recommendation 2.2 to 2.4, as set out in the report be agreed.

And it was: -

Resolved

1. That Quarter 1 2010/11 performance be noted including areas where further work is needed to ensure the Authority delivers improved outcomes. Also that members of the Cabinet discuss reported underperformance, and associated mitigating action, pertaining to their Lead Member portfolios with Corporate Directors as appropriate;
2. That the Council's financial position, as outlined in paragraphs 5 and 6 and appendices 4, 5 and 7 of the report (CAB 050/101), be noted;
3. That the actions being taken to address the reported overspends be noted;
4. That the target adjustment requests, as set out in Appendix 3a to the report (CAB 050/101) be agreed; and

10.3 Stifford Community Centre - Proposed new lease to facilitate redevelopment (CAB 051/101)

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 4. "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.

Councillor A. Ullah declared a personal interest in Agenda item 10.3 "Stifford Community Centre – Proposed new lease to facilitate redevelopment" (CAB 051/101). The declaration of interest was made on the basis that the report contained recommendations relating to Stifford Community Centre which was located in St Dunstan's and Stepney Green Ward, and Councillor Ullah was one of the Ward Councillors for St Dunstan's and Stepney Green Ward.

Councillor S. Ali declared a personal interest in Agenda item 10.3 "Stifford Community Centre – Proposed new lease to facilitate redevelopment" (CAB 051/101). The declaration of interest was made on the basis that:

- The report contained recommendations relating to Stifford Community Centre many users of which lived in Whitechapel Ward, and Councillor Ali was one of the Ward Councillors for Whitechapel Ward.
- Councillor Ali had been a member of the Authority's Strategic Development Committee when an application for planning consent associated with the Stifford Community Centre had been considered.

Mr Algar, Service Head Asset Management, at the request of the Chair, in introducing the report:

- Summarised the key points contained therein, highlighting in particular:
 - The Stifford Tinsley, Jamaica, Redmans & Stepney Tenants and Residents Association Community Centre (Stifford Centre) was a well established community organisation providing a broad range of programmes and projects to local people in Stepney and beyond, and had established contracts with the Authority and the Tower Hamlets Primary Care Trust.
 - The Stifford Centre had ambitious re-development proposals and had obtained planning consent for a new four storey community centre that would enable it to provide a broader range of services from much improved premises.
 - Paragraph 6.1 of the report detailed that the Stifford Centre had estimated that £3.7 million would be required to meet the construction costs of the re-development scheme. However the Authority had been subsequently advised this would be £4.5 million with an additional £300,000 to purchase the leasehold interest in the land. The total funding required was therefore £4.8 million.
 - The Stifford Centre had raised a combination of grant and loan funding amounting to £1.9 million from "Community Builders" [The Social Investment Business], leaving a current funding gap of £2.9 million.

- Officers were recommending that the Authority grant a long lease to the Stifford Centre with a number of pre-conditions.
 - The issue of the lease's market value was a technical one as the land required for the re-development was held by the Housing Revenue Account. As a consequence there were severe restrictions on the Authority disposing of the lease at less than the estimated market value of £300,000.
 - The business model needed further work to demonstrate long term viability; and in particular sustainability of public sector funding.
 - A clear timescale and delivery plan was required for completion of the new building within two years.
- Addressed the matters raised by the deputation in relation to the report earlier in the proceedings. In particular he advised that:
 - Grant of unconditional lease of 99 years: In his extensive experience of property management external funding organisations accepted that local authorities granted leases subject to pre-conditions, and the proposed conditional lease was sufficient for the Stifford Centre to approach funders. It was not unusual for funders to anticipate land purchase for schemes and to fund it accordingly.
 - Market Value: The Authority had very little discretion regarding disposal of assets at less than market value.
 - Matchfunding:
 - Colleagues in the Planning Section of Development and Renewal Directorate had confirmed that there were no uncommitted Section 106 resources available for this scheme.
 - The allocation of capital funding to the scheme by the Authority was highly unlikely, given other demands on these resources, and was a reflection of the current climate of public sector funding constraint. The allocation of available capital funding was one element of the Authority's current Budget setting process.

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

- Clarification/ assurance was sought from, and given by, Ms Freeman, Assistant Chief Executive Legal Services, in relation to the Authority's ability to dispose of the lease at less than market value.
- Clarification/ assurance was sought and given regarding the safeguard of reversion of the lease/ land to the Authority should the Stifford Centre not raise the capital funding necessary for the scheme, a proposed pre-condition for granting the lease.
- The Stifford Centre was widely commended by Cabinet members for the broad range of services it provided for the local community; and the acknowledged respect in the Community for its track record in this regard was welcomed and noted.
- Commented that the three retail units in Cressy Place had been derelict for several years, producing no income for the Council, and significant

investment had been required to bring these back into use, demolition of the existing units was now proposed as part of the re-development scheme. Clarification was sought and given as to whether Officers of the Authority had engaged in discussions with the Stifford Centre around its ability to purchase the lease for a lump sum of £300,000.

- Clarification/ assurance was sought and given regarding the scope for phasing payment of the market value premium for the leasehold interest in the land over 5 years or slightly longer. This was possible but would put the overall payment up and generate additional risk for the Authority.
- Clarification/ assurance was sought and given regarding the scope for phasing payment of the market value premium for the leasehold interest in the land over a longer period, perhaps even the 99 year term of the lease. Such an arrangement would effectively be a ground rental agreement, rather than a lease agreement, and would not generate a capital receipt for the Housing Revenue Account for reinvestment.
- Consideration that the Cabinet should carefully weigh the merits of the proposed redevelopment scheme, outlined by the deputation earlier in the proceedings:
 - Meeting the increasing demands of the local community for health and social care with the provision of a new health centre, additional facilities for elders and in particular a children's crèche and nursery.
 - Provide valuable training, employment and business opportunities.

The crèche/ nursery would be particularly important in the context of a recent announcement by the Coalition Government of cuts in "child benefit", with worse likely to come, as the Centre would provide a safe haven for local children. The Centre was likely to become a valuable community asset, similar to that on the Tarling East Estate. Consideration also that this scheme would be a way to expand service provision for the Community through the Third Sector, acknowledged to be a way forward in the context of the Council scaling back its own activities because of funding constraints imposed by the Coalition Government. The land was held by the Council for housing but was unlikely to be built on by Tower Hamlets Homes but could be developed by the Community. The Administration should be daring, innovative and invest in the future of its Community.

- Corporate Directors: Children Schools & Families and Development & Renewal and the Service Head deputising for Corporate Director Adults Health and Wellbeing, summarised the near and medium term outlook for Council and Tower Hamlets Primary Care Trust future funding of elements of service provision at the Stifford Centre, as uncertain and bleak. The uncertainty around a range of future funding for the Stifford Centre and in particular for Service Level Agreements with the Council was noted.
- Consideration that it was appropriate for the Authority to:
 - Assist the Stifford Centre to secure external funding by granting the proposed 99 year lease, in order to meet the funding criteria of funders.

- Assist the Stifford Centre to find temporary accommodation during the “demolition phase” of the re-development, in order that it could maintain service provision.
- Facilitate a discussion with the Secretary of State regarding the required approval by him of any lease disposal at less than market value, noting that the approval was unlikely in the current climate of financial constraint.
- Examine the scope for it to agree an arrangement for phasing payment of the market value premium for the leasehold interest in the land over 5 years, and to do so if possible.
- Consideration that the allocation of Section 106 resources came with certain requirements and it was inappropriate for the Cabinet to confirm the availability of such funding. Capital funding was being squeezed too in the current financial situation, and it was inappropriate to give a commitment of such funding at the present time, particularly given the known range of demands on available resources.
- Consideration that the Stifford Centre needed to think through its business plan, including the scale of the project in a particularly difficult financial climate, but in particular the existing generation of income from a range of sources that were now uncertain.
- With Cabinet consent, Constitutional Procedure Rules were suspended temporarily to allow a member of the Deputation from the Stifford Centre (Mr Alam, Centre Manager) to address the Cabinet in relation to the funding uncertainties highlighted above. The Centre anticipated raising a great deal of income from rental of space to gyms and other organisations/ businesses and additionally hall hire fees for events. The Centre had continued to grow in recessionary times and was confident it could raise sufficient funding, and in particular repay the market value premium over 5 to 6 years. However the initial challenge was to build the new Centre.
- Detailed discussion centred on the scope for an arrangement for phasing payment of the market value premium for the leasehold interest in the land in instalments over 5 years, including the following specific points:
 - Officers should be requested to examine the scope for such an arrangement.
 - The Administration wanted to support the Stifford Centre in securing the long lease, and it was important in this regard for Officers to work with the Centre to develop a robust and viable long-term business plan.
 - The negative relating to spreading the market value premium over 5 years was that additional revenue would need to be raised sufficient to cover the annual impact of paying the premium in instalments over the period (for example should the premium be £300,000, and payments phased over 5 years, an additional £60,000 of revenue would need raised annually). Raising revenue was a challenge for an organisation such as the Stifford Centre, and if it struggled to raise revenue at the major fund raising point, it would struggle going forward.
 - Officers should be requested to include this factor within the development of a viable business plan.

- It was not possible for Cabinet to currently make an informed decision regarding the long term viability of the Stifford Centre, and the assessment of that could be delegated to Officers. Were there to be scope for the phasing of payments for the market premium that should come back for Cabinet consideration, thereby meeting the wish of Cabinet members to make a judgement for themselves as to the long term sustainability of the business plan.
- It was appropriate to expand facilities on the site particularly given the good track record of the Stifford Centre, but it was also important for the Council to take care in making commitments at such a difficult time. In this context the Council should be flexible if that were possible, and looking at phasing payment of the premium over 4 to 5 years was therefore appropriate. It was also consistent with the phasing of payments over 3 to 4 years agreed by the Cabinet in respect of a similar case in April 2010.
- It was completely inappropriate to shift the phasing of the payment of premiums to such an extent that it became a ground rental agreement.
- The Housing Revenue Account should not bear the cost of any arrangement for phasing the payment of the premium, as additional pressures to those already facing the HRA Budget in the near future would be keenly felt in housing provision. If there were to be a phased payment arrangement a “one off” payment, equivalent to market value for the leasehold interest in the land, should be made to the HRA from the General Fund and repayments then made to the General Fund.

The Chair summarised that:

- He had visited the Stifford Centre and knew the good work undertaken there, and wished to see more like it.
- It was right that the Authority should grant a 99 year lease to the Stifford Centre to help it secure external funding for its re-development scheme.
- The Council’s funding was about to be dramatically reduced, with the Government announcement, in October 2010, likely to bring a reduction in funding for Tower Hamlets of £70 million over the next 3 years. This would present a significant challenge for the Council, and it was difficult to commit to funding other organisations, when it did not yet know what its own funding would be. All organisations would need to examine their projects in that context.
- The Lead Member Housing, Heritage and Planning was right to state that it would be unfair for the HRA to bear the cost and risk of any arrangement for phasing the payment of the market value premium for the leasehold interest in the land; however neither was it right to spread to cost and risk to the General Fund; and that was a discussion for another meeting.
- There was consensus that:
 - The Authority should, if possible, be flexible with regard to payment of the market value premium for the leasehold interest in the land; and that Officers be requested to examine the scope

- to agree an arrangement for phasing payment of this over 5 years or more.
- That any discussions with the Stifford Tjrs Community Centre to develop a viable long term business plan should factor in the raising of additional revenue sufficient to cover the annual impact of paying the market value premium in instalments, should the latter be possible.
 - Were there to be scope for the phasing of payments for the market premium, and should Officers consider the Stifford Centre business plan viable, the matter should be brought back to Cabinet for consideration.

Accordingly the Chair **Moved** the recommendations as set out in the report, together with an additional recommendation (see resolution 5. below) for the consideration of members of the Cabinet; and it was: -

Resolved

1. That the grant of a lease of up to 99 years to Stifford Estate – Tinsley, Jamaica, Redmans and Stepney Green Tenants and Residents Association be approved in principle;
2. That the Corporate Director Development and Renewal be authorised to finalise the detailed lease terms. Any such terms to be on a commercial basis and at market value at the time of sale;
3. That the preconditions that the Stifford Centre will need to comply with prior to any lease being granted, be noted, namely: that capital funding is in place, a clear delivery plan agreed, demonstration of long-term viability, and completion of the lease within six months of a Cabinet decision;
4. That the requirement for the Stifford Centre to be decanted for the construction period, be noted; also that the Corporate Director Development and Renewal be instructed to support the Centre in finding temporary accommodation with any short-term letting being at market value and on commercial terms; and
5. With reference to resolution 2 and 3 above:
 - (a) That the Corporate Director Development and Renewal be requested to examine the scope for the Authority to allow payment of the market value premium in instalments over a period of 5 years or more.
 - (b) That should (a) above be possible, the Corporate Director Development and Renewal ensures the Stifford Tjrs Community Centre develop a viable long term business plan; including the raising of additional revenue sufficient to cover the annual impact of paying the premium in instalments.

- (c) That should the Corporate Director Development and Renewal identify (a) above to be possible and the business plan at (b) above to be viable, the matter be brought back for further Cabinet consideration.

Councillor A. Ullah, withdrew from the proceedings following the conclusion of the Cabinet deliberations in respect of this item, being 6.20pm, and did not return to the proceedings.

11. ANY OTHER UNRESTRICTED BUSINESS CONSIDERED TO BE URGENT

11.1 NOVEMBER CABINET – REVISED ARRANGEMENTS

Mr Collins, Chief Executive, advised members of the Cabinet that in order to align the November Cabinet meeting to accommodate the implications of a directly elected Mayor, and because of the potential for Eid-al-Adha to fall on either 16th or 17th November, he proposed in accordance with Constitutional provisions, that the meeting of the Cabinet currently due to take place on 17th November 2010 would now be held on 11th November. Members of the Cabinet would be informed of the time and venue for the meeting in due course.

Resolved

That the announcement by the Chief Executive, that the meeting of the Cabinet due to take place on 17th November 2010 would now be held on 11th November, be noted.

12. UNRESTRICTED REPORTS FOR INFORMATION

12.1 Exercise of Corporate Director Discretions (CAB 052/101)

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

Resolved

That the exercise of Corporate Directors' discretions as set out in Appendix 1 to the report (CAB 052/101) 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 8th September 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 8th September 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.

SUMMARY OF EXEMPT PROCEEDINGS

14. EXEMPT / CONFIDENTIAL MINUTES

Minutes of the meeting of the Cabinet held on 8th September 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 7.15 p.m.

Chair, Councillor Helal Abbas
Cabinet