

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE CABINET

HELD AT 5.40 P.M. ON WEDNESDAY, 13 FEBRUARY 2013

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

Members Present:

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

Other Councillors Present:

Councillor Kabir Ahmed	(Executive Advisor to the Mayor and Cabinet)
Councillor Marc Francis	
Councillor Peter Golds	(Leader of the Conservative Group)
Councillor Ann Jackson	(Chair, Overview & Scrutiny Committee)
Councillor Md. Maium Miah	(Advisor to the Mayor and Cabinet on Third Sector and Community Engagement)
Councillor John Pierce	
Councillor Gulam Robbani	

Officers Present:

Katherine Ball	– (Senior Accountant, Development & Renewal)
Sarah Barr	– (Senior Strategy Policy and Performance Officer, One Tower Hamlets, Chief Executive's)
Robin Beattie	– (Service Head, Strategy & Resources & Olympic Impact, Communities Localities & Culture)
Kate Bingham	– (Acting Service Head Resources, Children Schools & Families)
Isobel Cattermole	– (Corporate Director, Education, Social Care and Wellbeing)
Dave Clark	– (Head of Programmes, Performance and Accountability, Development & Renewal)
Aman Dalvi	– (Corporate Director, Development & Renewal)
Alan Finch	– (Interim S151 Officer, Service Head Financial Services, Risk & Accountability, Resources)
Isabella Freeman	– (Assistant Chief Executive - Legal Services, Chief

	Executive's)
Stephen Halsey	– (Head of Paid Service and Corporate Director Communities, Localities & Culture)
Chris Holme	– (Acting Corporate Director - Resources)
Ellie Kuper-Thomas	– (Strategy, Policy and Performance Officer - Executive Mayor's Office, One Tower Hamlets, Chief Executive's)
Paul Leeson	– (Finance Manager, Development & Renewal)
Ann Sutcliffe	– (Service Head Strategic Property, Development and Renewal)
Emily Blackshaw	– (Communications Team Leader)
Numan Hussain	– (Political Advisor to the Mayor, Executive Mayor's Office, Chief Executive's)
Matthew Mannion	– (Committee Services Manager, Democratic Services, Chief Executive's)

1. APOLOGIES FOR ABSENCE

There were no apologies for absence.

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS

None were declared.

3. UNRESTRICTED MINUTES

The unrestricted minutes of the ordinary meeting of the Cabinet held on 9 January 2013 were presented for information.

4. PETITIONS

No petitions were received.

5. OVERVIEW & SCRUTINY COMMITTEE

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

Pre decision scrutiny questions and discussion on Agenda Item 10.2 (General Fund Capital and Revenue Budgets and Medium Term Financial Plan 2013/14 – 2015/16 were **tabled** and noted.

Councillor Ann Jackson, Chair of the Overview and Scrutiny Committee, addressed Cabinet and highlighted some specific issues that had been raised during the Overview and Scrutiny Committee discussions on the budget including:

- That in light of future financial challenges, whether the Council should be holding on to more of its existing savings in Adult Health and Wellbeing to cover later increases in demand for services.

- Considering the low take-up levels, whether funding the Mayor's Educational Grant was the most appropriate use of resources compared with other needs within education.
- Disappointment that the Chief Executive's department's savings and growth bids had not been set out fully in the budget proposals.
- General questions over whether growth bids and projects such as a potential new Town Hall were appropriate in the current financial circumstances.

The **Mayor** thanked Councillor Ann Jackson for the work the Overview and Scrutiny Committee had undertaken in scrutinising the budget proposals.

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

The Clerk advised that no requests had been received by the Assistant Chief Executive (Legal Services) to 'call-in' for further consideration, by the Overview and Scrutiny Committee, any provisional decisions taken by the Mayor in Cabinet, at the Cabinet meeting held on 9 January 2013.

6. A GREAT PLACE TO LIVE

6.1 Options for the Refurbishment of Phase 3 of the Council's Shorlife Housing Properties

Councillor Rabina Khan, Cabinet Member for Housing, introduced the report stating that it was an excellent proposal. She responded to a number of questions and concerns from existing residents stating that she had examined all the options with officers and was satisfied that the existing proposal was the most appropriate for the site. In particular she highlighted the priority the Council was placing in increasing the number of family sized houses available to Council tenants.

Responding to questions it was explained that officers would work with all existing residents to ensure they were given priority status and would all be rehoused.

During discussion it was noted that support for single vulnerable adults was also very important and that there may be benefit in the Council exploring new ideas to help them support each other in grouped accommodation.

The **Mayor** welcomed the report, whilst acknowledging the concerns of existing residents. He confirmed that they would be given good support by officers and priority status to ensure they were rehoused.

Resolved

1. To agree to Option 1, outlined at section 6 below, and authorise the investment of council resources in refurbishing eleven properties (numbers 9, 11, 46, 48, 50, 52, 58, 62 and 64 Bruce Road E3, 93 Old Ford Road E3 and 34 Mount Terrace E1) and bringing them

back into use as council tenancies to be managed by THH. The twelfth property is already in the process of refurbishment, as detailed at paragraph 5.5.

2. To agree to award all eligible TUSH members (as outlined at paragraph 6.8) resident in these properties and registered on the council's housing waiting list additional management priority points to enable them to bid for suitable replacement housing in line with the Council's lettings policy.
3. To approve the allocation of capital resources to accomplish the refurbishment of the eleven houses, and adopt a capital estimate of £1.7 million to enable the scheme to be included within the capital programme.
4. To delegate further decisions on the awarding of a contract to refurbish the properties and the options for carrying out additional works to one of the properties (see details of 34 Mount Terrace at paragraph 6.6) to the Corporate Director of Development & Renewal after consultation with the Assistant Chief Executive and the Mayor.

6.2 London Housing Consortium

Councillor Rabina Khan, Cabinet Member for Housing, introduced the report. She stated that Councillor Kabir Ahmed should be the non-executive Councillor appointed rather than Councillor Rofique Ahmed as stated in the report.

The **Mayor** agreed the alternative membership proposed and agreed the recommendations in the report.

Resolved

1. To agree the revised constitution for the LHC Appendix 1.
2. To appoint two Members, one Executive (Councillor Rabina Khan) and one non-Executive (Councillor Kabir Ahmed) to represent the Council on the joint Committee in line with the Council's external appointment procedures.
3. To authorise the Corporate Director of Development and Renewal in consultation with the Mayor to agree any future alterations to the Constitution for the London Housing Consortium

7. A PROSPEROUS COMMUNITY

Nil items.

8. A SAFE AND COHESIVE COMMUNITY

Nil items.

9. A HEALTHY AND SUPPORTIVE COMMUNITY

Nil items.

10. ONE TOWER HAMLETS

10.1 Housing Revenue Account Budget Report - 2013/14

[Note – Agenda Items 10.1 (Housing Revenue Account), 10.2 (General Fund Capital and Revenue Budgets) and 10.3 (Treasury Management Strategy Statement) were considered together and the combined minute is presented here. The approved recommendations are listed under the relevant items]

Councillor Alibor Choudhury, Cabinet Member for Resources, introduced the reports. He highlighted the challenges the Council faced in light of the significant funding cuts being made by central government. In particular he highlighted a number of points including:

- An additional report in relation to item 10.2 (General Fund and Capital Budgets) reporting on the final government grant allocations and that officers had done well to predict the final settlement.
- That the 3.2% reduction in funding would feel more like 8% once population growth and inflation were accounted for.
- Savings proposals were listed in the report to cover this reduction and action was also proposed to account for earlier savings proposals that had not been deliverable. These included cuts to back office functions, supplies, senior management, travel, ICT and generating more income.
- It was important to try and mitigate the impact of cuts on local people and some amendments were to be proposed to mitigate the impact in some important areas.
- There was some new funding such as a higher than expected public health grant.

Cabinet Members and other Councillors then rose to propose amendments to the budget proposals. These were **tabled** as a paper to Cabinet and included amendments on the following topics:

- Additional THEOs (Tower Hamlets Enforcement Officers) and more CCTV coverage.
- Cycling improvements.
- Tackling potholes.
- Exploring provision of a Multi-faith burial ground.
- Free school meals for Reception and Year 1 pupils.
- An additional £1 million in capital grants for the Faith Buildings scheme.

There then followed a discussion on the above amendments and the overall budget. The **Mayor** thanked all those who had contributed to the discussion including Overview and Scrutiny Committee Members and thanked officers for their work in developing the proposals. He agreed the recommendations to each of the reports, amended where necessary.

ResolvedRevenue

1. To approve the draft 2013/14 Housing Revenue Account budget as set out in Appendix 1.
2. To approve the draft 2013/14 Management Fee payable to Tower Hamlets Homes (THH) of £32.429 million as set out in Table 3 in section 9.2.
3. Subject to 2. above, note that under the Management Agreement between the Council and THH, THH will manage delegated income budgets of £84.2 million and delegated expenditure budgets of £25.1 million on behalf of the Council in 2013/14.
4. To note the HRA Medium Term Financial Plan (2013-16) outlined in Appendix 2.

Capital

5. To adopt a capital estimate of £980,000 for the award of Disabled Facilities Grants, as outlined in paragraph 12.1, subject to funding being confirmed by the DCLG and the Department of Health.
6. To adopt a capital estimate of £250,000 in respect of Private Sector Improvement Grants, including Empty Property Grants, for 2013-14, to be financed from ring-fenced resources received from the East London Renewal Partnership (paragraph 12.2).
7. To agree to increase the capital estimate in respect of conservation works for Bethnal Green Terrace by £351,000, as outlined in paragraph 13.1.
8. To adopt a capital estimate of £320,000 in respect of pedestrian crossing works in Whitechapel Road, as outlined in paragraph 13.2.

10.2 General Fund Capital and Revenue Budgets and Medium Term Financial Plan 2013/14-2015-16

[Note – Agenda Items 10.1 (Housing Revenue Account), 10.2 (General Fund Capital and Revenue Budgets) and 10.3 (Treasury Management Strategy Statement) were considered together and the combined minute is presented under Agenda Item 10.1.]

The **Mayor** accepted the Reasons for Urgency for the Supplementary Report as stated in the report. Namely that:

The information the subject of this report was only made available on 4 February 2013. It is essential that this information be considered by the Mayor in Cabinet on 13 February 2013 in order to make a decision about the budget which is to go forward for consideration by full council.

Resolved

1. To agree that a General Fund Revenue Budget of £297.806m and a Council Tax (Band D) of £885.52 for 2013-14 be referred to budget council for consideration.

2. To note the following matters -

a. Budget Consultation

The summary provided of the budget consultation, which includes the comments and recommendations of the overview and scrutiny committee.

b. Funding

The funding available for 2013-14 and the indications and forecasts for future years (section 8) and note the introduction of the new local government funding system (Appendix 2).

c. Base Budget 2013-14

- The Base Budget for 2013-14 as £293.865m as detailed in Appendix 1.2.

d. Growth and Inflation

- The risks identified from potential inflation and committed growth arising in 2013-14 and future years and as set out in Section 9 and in Appendix 3.

e. General Fund Revenue Budget and Medium Term Financial Plan 2013-14 to 2015-16

The initial budget proposal and Council Tax for 2013-14 together with the Medium Term Financial Plan set out in Appendix 1 and the savings targets arising.

f. Savings

Savings items proposed to be included in budgets for 2013-14 and future years set out in Section 10 and in Appendices 4.

g. Mayors Priorities

Initiatives to be included in the budgets for 2013-14 and 2014-15 set out in Section 10.3 and in Appendix 5.

h. Capital Programme

The capital programme to 2014-15, including the proposed revisions to the current programme as set out in section 14 and detailed in Appendix 9.

i. Dedicated Schools Grant

The position with regard to Dedicated Schools Grant as set out in section 12 and Appendix 7.

j. Housing Revenue Account

The position with regard to the Housing Revenue Account as set out in section 13 and Appendix 8.

k. Financial Risks: Reserves and Contingencies

Advice on strategic budget risks and opportunities as set out in section 11 and Appendices 6.1, 6.2 and 6.3.

l. Reserves and Balances

The position in relation to reserves as set out in the report and further detailed in Appendices 6.1 and 6.3, and officers' advice on the strategy for general reserves at 8.40.

3. To note the advice of the chief financial officer in relation to resources available to fund one-off priorities in the next two financial years.
4. To agree to utilise £1m of capital receipts to part fund the Faith Buildings initiative announced at Cabinet on 3rd October 2012 and adopt a capital scheme for this purpose.
5. To accept the following Accelerated Delivery proposals as set out in Appendix 5 of the pack;
 - The Mayor's Higher Education Bursary at a cost of £1.260m over two years.
 - Borough-wide deep clean and education programme at a cost of £0.800m.
 - Roman Road Town Centre Improvements and Brick Lane Commercial District initiatives at a cost of £0.355m.

- Measures to protect vulnerable residents in temporary accommodation from the impact of welfare reform at a cost of £1.000m

(These measures totalling £3.415m to be met from surplus earmarked reserves up to a value of £2.065m and the balance of £1.350m from additional savings identified during the budget process.)

6. To propose the following further measures, the details of which are included in the pro-forma papers attached to the amendment to the main report;
 - Free School Meals for reception and year 1 pupils in Tower Hamlets Primary Schools, free schools and academies for two academic years at a cost of £2.756m, to be funded from Public Health Grant.
 - An additional 10 'THEOs' and additional CCTV surveillance for two years at a cost of £1.330m, to be funded from additional revenue savings identified during the budget process.
 - Repair of pot holes at a cost of £0.200m to be funded from additional revenue savings identified during the budget process.
 - Investment of £3.000m towards the provision of a multi-faith burial site for Tower Hamlets residents to be adopted as a scheme in the capital programme and funded from capital receipts.
 - Measures to support cycling at a cost of £0.100m to be adopted as a scheme in the capital programme and funded from capital receipts.
 - An additional £1.000m in capital grants for Faith Buildings to be adopted in the capital programme and funded from capital receipts.

10.3 Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2013-14

[Note – Agenda Items 10.1 (Housing Revenue Account), 10.2 (General Fund Capital and Revenue Budgets) and 10.3 (Treasury Management Strategy Statement) were considered together and the combined minute is presented under Agenda Item 10.1.]

Resolved

1. To recommend that Full Council adopt:
 - 1.1. The Treasury Management Strategy Statement set out in sections 6-11 of this report.

- 1.2. The Annual Investment Strategy set out in section 12 of this report.
 - 1.3. The Minimum Revenue Provision Policy Statement set out in section 13 of this report, which officers involved in treasury management must then follow.
2. To delegate to the Interim Corporate Director of Resources, after consultation with the Lead Member for Resources, authority to vary the figures in this report to reflect any decisions made in relation to the Capital Programme prior to submission to Budget Council.

10.4 Quarter 3 - Special Contracts Forward Plan

Councillor Alibor Choudhury, Cabinet Member for Finance, introduced the report.

The **Mayor** agreed the recommendations as set out in the report.

Resolved

1. To consider the contract summary at Appendix 1, and agree that all the contracts be taken forward.
2. To authorise the relevant Corporate Director who holds the budget for the service area to award the contract or contracts in consultation with the Assistant Chief Executive (Legal Services).
3. To authorise the Assistant Chief Executive (Legal Services) to execute all necessary contract documents in respect of the awards of contracts referred to at recommendation 1 above.

11. ANY OTHER UNRESTRICTED BUSINESS CONSIDERED TO BE URGENT

Nil items.

12. UNRESTRICTED REPORTS FOR INFORMATION

12.1 Exercise of Corporate Directors' Discretions

The **Mayor** agreed the recommendations as set out in the report.

Resolved

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

13. EXCLUSION OF THE PRESS AND PUBLIC

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” – contained information relating to the financial or business affairs of any particular person (including the authority holding that information). In particular information relating to the financial affairs
 - Agenda item 16.1. “Asset Rationalisation Review (Depots and Town Hall)” contained information relating to the financial or business affairs of any particular person (including the authority holding that information). In particular information relating to the financial affairs of the Council.
- (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” – contained information relating to the financial or business affairs of any particular person (including the authority holding that information). In particular information relating to the financial affairs
 - Agenda item 16.1. “Asset Rationalisation Review (Depots and Town Hall)” contained information relating to the financial or business affairs of any particular person (including the authority holding that information). In particular information relating to the financial affairs of the Council.

that the public interest in maintaining the exemption on the information outweighed the public interest in disclosing it.

14. EXEMPT / CONFIDENTIAL MINUTES

The Exempt/Part II minutes of the ordinary meeting of the Cabinet held on 9 January 2013 were **tabled** for information.

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

16.1 Asset Rationalisation Review (Depots and Town Hall)

The Mayor considered the report and subject to minor amendments agreed its recommendations.

17. A PROSPEROUS COMMUNITY

Nil items.

18. A SAFE AND COHESIVE COMMUNITY

Nil items.

19. A HEALTHY AND SUPPORTIVE COMMUNITY

Nil items.

20. ONE TOWER HAMLETS

Nil items.

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

Nil items.

22. EXEMPT / CONFIDENTIAL REPORTS FOR INFORMATION

Nil items.

The meeting ended at 7.08 p.m.

Chair, Mayor Lutfur Rahman
Cabinet