

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE CABINET

HELD AT 5.34 P.M. ON TUESDAY, 30 JANUARY 2018

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

Members Present:

Mayor John Biggs	
Councillor Sirajul Islam	(Statutory Deputy Mayor and Cabinet Member for Housing)
Councillor Amina Ali	(Cabinet Member for Environment)
Councillor Rachel Blake	(Cabinet Member for Strategic Development & Waste)
Councillor Asma Begum	(Cabinet Member for Community Safety)
Councillor David Edgar	(Cabinet Member for Resources)
Councillor Denise Jones	(Cabinet Member for Health & Adult Services)
Councillor Abdul Mukit MBE	(Cabinet Member for Culture and Youth)
Councillor Amy Whitelock Gibbs	(Cabinet Member for Education and Children's Services)

Other Councillors Present:

Councillor Dave Chesterton	(Chair of the Overview and Scrutiny Committee)
Councillor Peter Golds	(Leader of the Conservative Group)
Councillor Andrew Wood	

Apologies:

Councillor Joshua Peck	(Cabinet Member for Work & Economic Growth)
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Officers Present:

Mark Baigent	(Interim Divisional Director, Housing and Regeneration)
Emily Fieran-Reed	(Service Manager, Community Cohesion, Engagement and Commissioning, Strategy, Policy and Equality)
Sharon Godman	(Divisional Director, Strategy, Policy and Partnerships)
Afazul Hoque	(Interim Service Manager, Strategy, Policy & Performance)
Asmat Hussain	(Corporate Director, Governance and Monitoring Officer)
Debbie Jones	(Corporate Director, Children's)
Ellie Kuper-Thomas	Planner, Plan Making Team (Place)
Stephen Murray	(Head of Arts and Events)
Matthew Pullen	(Infrastructure Planning Manager)
Denise Radley	(Corporate Director, Health, Adults & Community)

Marissa Ryan-Hernandez	(Plan Making Team Leader)
Ann Sutcliffe	(Acting Corporate Director, Place)
David Tolley	(Head of Environmental Health and Trading Standards)
Will Tuckley	(Chief Executive)
Matthew Vaughan	(Political Advisor to the Conservative Group, Democratic Services, LPG)
Matthew Mannion	(Committee Services Manager, Democratic Services, Governance)

1. APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of Councillor Joshua Peck, Cabinet Member for Work and Economic Development.

AGENDA ORDER

At the meeting the Mayor agreed to vary the order of the agenda to take items that members of the public had come to see first. For clarity, the minutes are presented in the order in which the items appeared on the agenda.

At the meeting the Mayor took the business in the following order:

- Agenda Items 1 – 4
- Item 5.1 (The Council's 2018-19 Budget Report and Medium Term Financial Strategy 2018-21)
- Item 5.3 (Consultation on an Additional Licensing Scheme for Houses in Multiple Occupation)
- Item 5.5 (Neighbourhood Planning: Determination of Poplar Neighbourhood)
- Item 5.2 (Community Engagement Strategy)

And then the remaining items in agenda order.

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS

There were no Declarations of Disclosable Pecuniary Interests.

3. UNRESTRICTED MINUTES

RESOLVED

1. That the unrestricted minutes of the Cabinet meeting held on Tuesday 9 January 2018 be approved and signed by the Chair as a correct record of proceedings.

4. OVERVIEW & SCRUTINY COMMITTEE

4.1 Chair's Advice of Key Issues or Questions

Pre-Decision Scrutiny Questions, and officer responses, were noted in relation to Agenda Items:

- 5.1 (The Council's 2018-19 Budget Report and Medium Term Financial Strategy 2018-21)
- 5.2 (Community Engagement Strategy)
- 5.3 (Homes in Multiple Occupation)
- 5.4 (Oval Public Space and Leisure Facility Improvements – S106)
- 5.6 (Office to Residential)
- 5.7 (Annual Infrastructure Statement 2018/19)
- 5.8 (Strategic Performance Monitoring)

The questions and responses were considered during the discussion of each relevant agenda item.

Further to the above, Councillor Dave Chesterton, Chair of the Overview and Scrutiny Committee (OSC), provided Cabinet with an update on their last two meetings. He reported that on Monday 15 January the Committee had met to review the Mayor's draft budget proposals and their formal response had been tabled in advance of tonight's Cabinet meeting for the Mayor to consider.

Turning to their regular meeting held on Wednesday 24 January, he reported that a number of issues had been examined including:

- A Cabinet Member Spotlight on Work and Economic Development with Councillor Joshua Peck which looked at a number of issues such as targeting business rate relief to small and medium sized businesses, the sustainability of projects once their funding ended and concerns about the loss of modern industrial units.
- A discussion on the Action Plan coming out of the Scrutiny Challenge Session on Recycling with a particular discussion about high rise properties and how the performance of Veolia was being monitored.

The **Mayor** thanked Councillor Dave Chesterton for his update.

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

Nil items.

5. UNRESTRICTED REPORTS FOR CONSIDERATION

5.1 The Council's 2018-19 Budget Report and Medium Term Financial Strategy 2018-21

Councillor David Edgar, Cabinet Member for Resources, introduced the report on the proposed Budget and Council Tax for 2018/19 and associated items. He explained that the report contained some minor amendments from the draft version presented at Cabinet on 9 January but that there were no material changes. In addition, the report presented the feedback from the consultation exercise that had been undertaken.

He also highlighted that the report contained a number of other items including the Housing Revenue Account and Capital Programme.

Councillor Dave Chesterton, Chair of the Overview and Scrutiny Committee (OSC) then took Cabinet through the main points of the Committee's formal response to the draft budget proposals.

During discussion Members noted the OSC response and also raised a number of points including:

- The pressures on Children's Services and the need to invest in improvements following the OFSTED investigation.
- The general levels of service provision for the under 5s.
- Welcoming the additional provision for early years in Victoria Park.

The **Mayor** thanked everyone for their comments. He welcomed the report and highlighted that the budget was the raw data behind which many good council services were being delivered. However, he did agree with the comments that more work was needed to review service provision for the under 5s and so he would like to see further work on service impact of the savings proposed in that area. Subject to that amendment the **Mayor agreed** the recommendations as set out in the report.

RESOLVED

1. To agree a General Fund Revenue Budget of £343.703m subject to any changes arising from the Final Local Government Finance Settlement. To be presented to Council for consideration.
2. To agree the Council Tax (Band D) at £986.14 for 2018-19 to be referred to Council for consideration.
3. To authorise the Corporate Director, Resources after consultation with the Mayor and Lead Member of Resources to make any changes required to the budget following the final settlement announcement in February.

4. To approve the revised Capital Programme for the period to 2027-28; as detailed in Appendix 9A-D and adopt the associated capital estimates.
5. To approve the draft 2018-19 Housing Revenue Account budget as set out in Appendix 8A to the report.
6. To approve the draft 2018-19 Management Fee payable to Tower Hamlets Homes (THH) of £30.979m as set out in Table 4 of the report.
7. To note that under the Management Agreement between the Council and THH, THH manages delegated income and expenditure budgets on behalf of the Council. In 2018-19, THH will manage delegated income budgets totalling £87.101m and delegated expenditure budgets of £25.829m.
8. To note the refreshed strategic priorities and outcomes (Paragraph 3.2.4) for the final year of the three year Strategic Plan agreed by Cabinet in April 2016.
9. To note the following matters:

General Fund Revenue Budget for 2018-19 and Medium Term Financial Strategy 2018-19 to 2020-21

The initial budget proposal and Council Tax for 2018-19 together with the Medium Term Financial Strategy set out in Appendix 1A to the report.

Note the decision made by the Mayor in Cabinet to participate in the London Wide Business Rates Retention pilot scheme and also reflecting the Mayor's instruction that the case for greater local retention must be vigorously pursued.

Note the decision of the Mayor in Cabinet to increase the Council Tax empty homes premium from 50% to 100%. These changes will require primary legislation in parliament to amend section 11b of the Local Government Finance Act 1992 and will not be completed for the 2018-19 financial year.

Budget Consultation

The outcome of consultation so far with business ratepayers, residents and other stakeholders is set out in Section 3.13 and Appendix 10 of the report.

Funding

The funding available for 2018-19 and the indications and forecasts for future years as set out in Section 3.4 of the report.

Growth and Inflation

The risks identified from potential growth and inflation commitments arising in 2018-19 and future years together with new initiatives identified as Mayoral Priority Growth as set out in Section 3.5 and Appendix 3 of the report.

Savings

New proposed saving items to be delivered in 2018-19 and 2020-21 as set out in Section 3.6 and Appendix 4 of the report.

Financial Risks: Reserves and Contingencies

The strategic budget risks and opportunities as set out in Section 3.7 and the assessment of risk as detailed in Appendix 6 of the report.

Reserves and Balances

The proposed approach to the strategic use of reserves as set out in Section 3.8 and the projected movement in Reserves as detailed Appendix 7 of the report.

Schools Funding

The position for schools' funding including the Dedicated Schools Grant as set out in Section 3.9 of the report.

Housing Revenue Account

The position of the Housing Revenue Account as set out in Section 3.10 and Appendix 8A and B of the report.

Capital Programme

The Capital Programme to 2027-28; including proposed revisions to the current programme as set out in Section 3.11 and detailed in Appendix 9A-D of the report.

10. To agree a review of savings proposal 'CHI 003/17-18' relating to 'Widening Participation in Early Years' agreed in the 2017/18 budget and to provide further information on the impact on affordability and level of provision for under 5s.

5.2 Community Engagement Strategy

The **Mayor** introduced the report on the new Community Engagement Strategy. He explained that it provided an enabling framework for how community engagement would take place.

During discussion it was noted that an important feature of the Strategy was in setting minimum standards for engagement. It would also be important in helping to ensure that hard to reach groups were properly engaged with.

The **Mayor** welcomed the report, he noted the Pre-Decision Scrutiny Questions and officer responses, and **agreed** the recommendations as set out.

RESOLVED

1. To agree the Community Engagement Strategy, its delivery plan and framework, taking into account the changes made from comments and responses received from stakeholders, Department Leadership Teams, Corporate Leadership Team and the Mayor's Advisory Board.

2. To note the resources and responsibilities required across the Council to implement the Community Engagement Strategy delivery plan, in particular in relation to local engagement under the Local Strategic Partnership.

5.3 Consultation on an Additional Licensing Scheme for Houses in Multiple Occupation

Councillor Sirajul Islam, Deputy Mayor and Cabinet Member for Housing, introduced the report. He explained that the report proposed a consultation to amend the existing scheme. He noted that there was additional money set out to support the private renters' charter.

Councillor Peter Golds, Leader of the Conservative Group, addressed Cabinet to welcome the report and highlight his concerns that there was a real problem with companies/individuals buying up large numbers of properties and looking to turn whole streets into multiple occupancy properties.

The **Mayor** welcomed the report. In addition he highlighted the need to lobby the government for more powers to tackle these issues. He noted the Pre-Decision Scrutiny Questions and officer responses and **agreed** the recommendations as set out.

RESOLVED

1. To agree that a consultation exercise takes place on introducing an Additional Licensing scheme for HMOs outside the current Selective Licensing area
2. To agree that subject to consultation, the Additional Licensing Scheme will apply borough wide to HMOs of the descriptions set out in Appendix 3 to the report.
3. To agree that the following proposals will form part of the consultation:
 - Fee Structure
 - Licence conditions
 - Amenity Standards
 - Fit and Proper Person Protocol
4. To note that once the consultation exercise has been completed, the responses will be analysed and then a report will be submitted to the Mayor in Cabinet for a decision as to whether to adopt an Additional Licensing Scheme.

5.4 Report requesting approval of the allocation of S106 funding and approval for the adoption of a capital budget in respect of the following projects: Oval Public Space PID; and Leisure Facility Improvement PID

Councillor Abdul Mukit, Cabinet Member for Culture and Youth, introduced the report. He reported that work was already in progress for Oval Public Space and that this was the proposed method of funding that work. He noted the Pre-Decision Scrutiny Questions and officer responses.

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

RESOLVED

1. To approve the allocation of £1.5 million in Section 106 (S106) funding to the proposals set out in the "*Leisure Facility Improvement*" Project Initiation Document (PID), which is attached to this Cabinet report at Appendix A and Table 1 of the report.
2. To approve the allocation of S106 money towards a total project cost of £335,820 as set out in the "*Oval Public Space*" Project Initiation Document (PID), which is attached to this Cabinet report at Appendix B and Table 1 of the report and to adopt corresponding capital estimates in order that the projects can be included within the Council's capital programme.

5.5 Neighbourhood Planning: Determination of Poplar Neighbourhood Area

Councillor Rachel Blake, Cabinet Member for Strategic Development and Waste, introduced the report. She welcomed the residents to the meeting who had come to support the proposals. She stated that she considered the report set out a reasonable neighbourhood planning area.

The **Mayor** welcomed the report and **agreed** the recommendation as set out.

RESOLVED

1. To approve the designation of the Poplar Neighbourhood Planning Area, as amended, and as defined in the plan contained in Appendix 1 to the report.

5.6 Article 4 Direction - Office (B1a) to Residential (C3)

Councillor Rachel Blake, Cabinet Member for Strategic Development and Waste introduced the report. She explained that it was necessary to bring in an Article 4 order if the Council wished to retain control over conversions of Offices to Residential spaces. She explained that if it was agreed then the Article 4 Direction would come into effect on 1 June 2019.

The **Mayor** welcomed the report, noted the Pre-Decision Scrutiny Questions and officer responses and **agreed** the recommendations as set out.

RESOLVED

1. To confirm the Article 4 direction made on 19th September 2017 which removes permitted development rights from offices (B1(a)) to residential (C3) within the areas shown on the map attached as Appendix 1 to the report;
2. To note that the Article 4 Direction will come into effect on 1st June 2019.

5.7 Annual Infrastructure Statement 2018/19

Councillor Rachel Blake, Cabinet Member for Strategic Development and Waste, introduced the report. She explained that the purpose of the report was to ensure transparency on how S106 and CIL funds were accrued and spent. The funds were then targeted towards key themes in each area. She noted the Pre-Decision Scrutiny Questions and officer responses.

Councillor Andrew Wood, Ward Councillor for Canary Wharf Ward, addressed Cabinet. He expressed concern that there were too many infrastructure documents and not enough clarity.

The **Mayor** noted the comments. He welcomed the report and **agreed** the recommendation.

RESOLVED

1. To adopt the proposed Annual Infrastructure Statement attached to this report at Appendix A to the report.

5.8 Strategic Performance Monitoring 2017/18 Q2

The **Mayor** introduced the report. He drew Members' attention to the strategic indicators listed in the report including those marked red. In particular he highlighted that a number of indicators linked to Children's Services had been put in place as a reaction to the OFSTED report and that these were expected to begin as red before moving towards green as they progressed.

The report was discussed and other issues were noted including:

- Potential employment gaps between different groups and the additional research needed to see how accurate the figures were.
- Efforts to tackle staff sickness levels – including ensuring the Council was a good place to work.

The **Mayor** noted the Pre-Decision Scrutiny Questions and officer responses and **agreed** the recommendations as set out.

RESOLVED

1. To note the performance of the strategic measures at mid-year, including those measures where the minimum expectation has been missed (appendix 1 to the report); and
2. To note progress in delivering the Strategic Plan at the mid-year point, including those activities that are flagged as delayed and overdue (appendix 2 to the report).

5.9 Contracts Forward Plan - Quarter Four 2017/2018

Councillor David Edgar, Cabinet Member for Resources, introduced the report. He explained that this was an opportunity for Members to highlight any contracts where they would like more information to be presented to Cabinet before they proceeded to the award stage. On this occasion he was not aware that any particular contracts had been highlighted by Cabinet and was therefore proposing that all contracts proceed as planned.

The **Mayor** thanked Councillor David Edgar and confirmed that the contracts could continue as planned. The recommendations were amended as required and **agreed**.

RESOLVED

1. To note the contract summary at Appendix 1 to the report and agree that all listed contract can proceed to contract award after tender.
2. To authorise the Divisional Director - Legal Services to execute all necessary contract documents in respect of the awards of contracts referred to at Recommendation 1 above.
3. To note the procurement forward plan 2018-2022 schedule detailed in Appendix 2 to the report.

5.10 Tower Hamlets Homes Governance - Resident (Tenant) Board Appointment

The **Mayor** introduced the report and confirmed the appointment of Julie Fagan to the Tower Hamlets Homes (THH) Board as proposed.

RESOLVED

1. To appoint Julie Fagan to the Board of THH as a Resident (Tenant) Board Member.

6. ANY OTHER UNRESTRICTED BUSINESS CONSIDERED TO BE URGENT

Nil items.

7. EXCLUSION OF THE PRESS AND PUBLIC

Nil items.

8. EXEMPT / CONFIDENTIAL MINUTES

Nil items.

9. OVERVIEW & SCRUTINY COMMITTEE

9.1 Chair's Advice of Key Issues or Questions in Relation to Exempt / Confidential Business

Nil items.

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

Nil items.

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

Nil items.

The meeting ended at 7.10 p.m.

MAYOR JOHN BIGGS