

**LONDON BOROUGH OF TOWER HAMLETS****MINUTES OF THE CABINET****HELD AT 5.38 P.M. ON WEDNESDAY, 3 JANUARY 2024****COUNCIL CHAMBER - TOWN HALL, WHITECHAPEL****Members Present in Person:**

Mayor Lutfur Rahman	
Councillor Maium Talukdar	(Deputy Mayor and Cabinet Member for Education, Youth and Lifelong Learning (Statutory Deputy Mayor))
Councillor Kabir Ahmed	(Cabinet Member for Regeneration, Inclusive Development and Housebuilding)
Councillor Saied Ahmed	(Cabinet Member for Resources and the Cost of Living)
Councillor Suluk Ahmed	(Cabinet Member for Equalities and Social Inclusion)
Councillor Gulam Kibria Choudhury	(Cabinet Member for Health, Wellbeing and Social Care)
Councillor Abu Chowdhury	(Cabinet Member for Safer Communities)
Councillor Iqbal Hossain	(Cabinet Member for Culture and Recreation)
Councillor Kabir Hussain	(Cabinet Member for Environment and the Climate Emergency)
Councillor Abdul Wahid	(Cabinet Member for Jobs, Skills and Growth)

**Officers Present in Person:**

Richard Ward	(Interim Head of Contracts and Procurement)
Lisa Fraser	(Acting Corporate Director, Children's Services)
Stephen Halsey	(Chief Executive)
Abdulrazak Kassim	(Director Finance, Procurement and Audit)
Chris Leslie	(Head of Strategic and Corporate Finance)
Julie Lorraine	(Corporate Director Resources)
Raj Mistry	Corporate Director for Communities
Paul Patterson	(Interim Corporate Director Housing And Regeneration)
Denise Radley	(Corporate Director, Health & Adult Social Care & Deputy Chief Executive)
Joel West	(Democratic Services Team Leader (Committee))

**Officers In Attendance Virtually:**

John Harrison	Interim Director of Finance, Procurement and Audit
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**1. APOLOGIES FOR ABSENCE**

None.

**2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS AND OTHER INTERESTS**

There were none.

**3. UNRESTRICTED MINUTES****RESOLVED:**

1. That the unrestricted minutes of the Cabinet meeting held on Wednesday 13 December be approved and signed by the Mayor as a correct record of proceedings.

**4. ANNOUNCEMENTS (IF ANY) FROM THE MAYOR**

The Mayor introduced the new permanent Director of Finance, Procurement and Audit, Abdulrazak Kassim and welcomed him to the Council and this, his first Cabinet meeting.

**5. OVERVIEW & SCRUTINY COMMITTEE****5.1 Chair's Advice of Key Issues or Questions**

None.

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

None.

**6. UNRESTRICTED REPORTS FOR CONSIDERATION****6.1 Fees and Charges 2024-25 Report**

Councillor Saied Ahmed (Cabinet Member for Resources and the Cost of Living) introduced the report that presented details proposed changes to fees and charges for the financial year 2024-25, all those detailed in the report fall into one of two categories: discretionary or statutory.

Julie Lorraine, Corporate Director provided further detail. Julie explained that the charges presented all related to existing services. Benchmarking with other local authorities had been exhaustive and the Council had been mindful of the impact on cost of living for the users of the charged for services. The changes protected areas of priority interest to residents, in particular waste services (that had also benefited from new investment – see Minutes 6.2 below) and elements considered important to the character of the borough, such as market trading.

The Mayor welcomed the report.

**RESOLVED** that the Mayor in Cabinet:

1. Approves the proposed discretionary fees and charges as detailed in Appendix 1 to the report.
2. Approves the revised statutory fees and charges as detailed in Appendix 2 to the report.
3. Approves the continued delegation for amendments to fees and charges, including those to take account of the result of any Equality Impact Assessment that may be identified, to the relevant Corporate Director following consultation with the Lead Member and the Mayor.
4. Agrees that all increases and new fees are implemented from 1<sup>st</sup> February 2024 where possible or as soon as practical thereafter and the strategy be endorsed and incorporated in the MTFs with a review of the strategy to be undertaken in 3 years' time.

## **6.2 Budget Report 2024-25 and Medium Term Financial Strategy 2024-27**

The Mayor introduced the report. He explained that he was proud of the proposed budget, that reaffirmed the Council's commitment to protect and empower the people of the borough, including:

- building on the investment made in last year's budget;
- building fiscal sustainability into the Council's collective long-term future;
- delivering sizeable savings and efficiencies across the council, whilst ensuring ongoing investment in frontline services such as housing and helping residents in the cost-of-living crisis;
- an additional £5million investment into the Council's waste-management services for new frontline workers and investment in vehicles and service improvements.

He offered his thanks to the Lead Member, Councillor Saied Ahmed, the Chief Executive, Stephen Halsey, the Section 151 officer, Julie Lorraine, and all the Officers who worked to prepare the draft budget.

Councillor Saied Ahmed, Cabinet Member for Cabinet Member for Resources and the Cost of Living provided further detail. He explained some of the key aspects of the budget, including:

- reducing previously budgeted use of reserves by £4m over the life of the MTFs, demonstrating progress the Council is making in guaranteeing its long-term financial security;
- new investment in services of £18m for next year;
- how clear criteria for savings ensured the budget would protect frontline services to residents, avoid compulsory redundancies where possible and increase permanent employment opportunities by reducing reliance on temporary and interim resources. There would be no reduction in frontline staffing or services;

- how a robust approach had been adopted to manage unavoidable growth.

Councillor Ahmed asked Cabinet to note that a further MTFS report will be presented to Cabinet on 31 January which would build on the position in the report. He offered his thanks to the Chief Executive, Section 151 Officer and the finance team, for their work and support in preparing the draft budget.

The Cabinet welcomed the proposed report. Lead Members briefly explained how the budget would protect and improve services in their portfolios.

Julie Lorraine, Corporate Director Resources and Section 151 Officer provided commentary on the draft budget. She explained:

- The Council was in a strong financial position and at no risk of a section 114 notice.
- There remained some risks associated with the budget such as continuing pressures in demand led services in particular temporary accommodation. There were some mitigations to address these risks. For example, rent increases which would help fund additional housing alongside investment in current stock.
- A reliance on income generation. Risk profiling, and stress testing would be undertaken and financial ensuring resilience would be the best mitigation.
- Future of business rates. Whilst there had been a delay in national changes, there was at present no decision to abandon the proposals. As home to strong business rates base, the borough was more vulnerable to such potential changes than many.

Julie explained that the next iteration of the report to Cabinet on 31 January would further explore risks and additional mitigations.

**RESOLVED** that the Mayor in Cabinet:

1. Proposes a draft General Fund Revenue Funding Requirement of **£458.661m** for 2024-25 subject to remaining changes arising from the final Local Government Finance Settlement and any other necessary adjustments.
2. Proposes to levy a 2% Adult Social Care precept for 2024-25.
3. Authorises the Corporate Director Resources, in consultation with the mayor and Cabinet Member for Resources & Cost of living, to make any changes required to the draft budget following receipt of the Local Government Finance Settlement (LGFS) for further consideration at Cabinet on 31 January 2024.
4. Notes the latest draft position of the Council's reserves, subject to final audit of the statements of accounts.
5. Approves the HRA housing rent and service charge increases as outlined in section 3.11 of the report. This includes increasing housing rents for all

properties by 7.7% for 2024-25 (CPI +1%), which will also enable updated modelling of the HRA for consideration at Cabinet on 31<sup>st</sup> January 2024.

6. Notes the report incorporates the fees & charges changes proposed in another report to Cabinet and they are included in the draft budget and medium-term financial strategy.
7. Agrees that the National Schools Funding Formula (NSFF) adopted by Tower Hamlets originally in 2019-20 continues for 2024-25. The only changes included are increases to the factor values in line with the NSFF.
8. Agrees that the Minimum Funding Guarantee (the mechanism that guarantees schools a minimum uplift in per-pupil funding) is set as close to 0.5% as affordable, the maximum allowed after consideration for growth and factor changes in School allocations.
9. Agrees that the structure of the Early Years Funding Formula remains unchanged except for the introduction of the expanded two-year-old entitlement and new provision from 9 months from September 2024 with revised hourly rates increases in line with the Early Years National Funding Formula.
10. Notes that the Local Council Tax Reduction Scheme will remain unchanged for 2024-25.
11. Notes the School funding position set out at Section 3.10 of the report, in particular the overall Dedicated Schools Grant (DSG) deficit.
12. Notes the Equalities Implications as set out in Section 5 of the report.
13. Notes the Council Taxbase calculations in Appendix 4 to the report.

**7. ANY OTHER UNRESTRICTED BUSINESS CONSIDERED TO BE URGENT**

Nil items.

**8. EXCLUSION OF THE PRESS AND PUBLIC**

A motion to exclude the press and public was not required.

**9. ANY OTHER EXEMPT/ CONFIDENTIAL BUSINESS CONSIDERED TO BE URGENT**

Nil items.

The meeting ended at 6.20 p.m.

Mayor Lutfur Rahman