



Meeting of the

# CABINET

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Tuesday, 6 September 2016 at 5.30 p.m.

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## TABLED PAPERS

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NUMBER**

**4 .1 Overview and Scrutiny Pre-Decision Questions**

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If you require any further information relating to this meeting, would like to request a large print, Braille or audio version of this document, or would like to discuss access arrangements or any other special requirements, please contact:

Matthew Mannion, Democratic Services

Tel: 020 7364 4651, E-mail: [matthew.mannion@towerhamlets.gov.uk](mailto:matthew.mannion@towerhamlets.gov.uk)

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**LONDON BOROUGH OF TOWER HAMLETS**  
**Pre-Decision Question - Overview and Scrutiny Committee – 1<sup>st</sup> Sept. 2016**

Cabinet Report	Question / Response																																
<b>Item 5.1 Medium Term Financial Strategy 2017-2020</b>	<p>1. Has the MTFFS assumed budget deficit of £60 million by 2019/20 been revised in light of the under-spend identified in the Budget Out-turn Report for 2015/16 agreed by the Mayor in Cabinet on 26<sup>th</sup> July 2016?</p> <p><b>Response:</b> Whilst the current working assumptions are that the budget gap is £60m, all assumptions are currently being reviewed and the October Cabinet report will set out any revised assumptions over the MTFFS planning period (2017 – 2020).</p> <p>To the extent that the issues which contributed to the 2015/16 underspend position are on-going, they may contribute towards reducing the budget gap; this will also be reflected in the October report.</p> <p>2. What has been the (a) General Fund budget agreed by Full Council in each year since 2010 and (b) the General Fund expenditure presented in the Budget Out-turn report presented to the Mayor in Cabinet in each of those years?</p> <p><b>Response:</b> The table below shows the information requested from 2010/11 to 2015/16</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;"><b>a) Full Council Approved Budget</b></th> <th style="text-align: center;"><b>b) Actual Spend</b></th> <th style="text-align: center;"><b>c) Underspend(-) /Overspends</b></th> </tr> <tr> <th style="text-align: center;"><b>Financial Year</b></th> <th style="text-align: center;">£m</th> <th style="text-align: center;">£m</th> <th style="text-align: center;">£m</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">2010-11</td> <td style="text-align: center;">310.369</td> <td style="text-align: center;">320.912</td> <td style="text-align: center;">10.543</td> </tr> <tr> <td style="text-align: center;">2011-12</td> <td style="text-align: center;">310.960</td> <td style="text-align: center;">294.424</td> <td style="text-align: center;">(16.536)</td> </tr> <tr> <td style="text-align: center;">2012-13</td> <td style="text-align: center;">292.265</td> <td style="text-align: center;">266.743</td> <td style="text-align: center;">(25.522)</td> </tr> <tr> <td style="text-align: center;">2013-14</td> <td style="text-align: center;">297.806</td> <td style="text-align: center;">270.621</td> <td style="text-align: center;">(27.185)</td> </tr> <tr> <td style="text-align: center;">2014-15</td> <td style="text-align: center;">293.933</td> <td style="text-align: center;">275.703</td> <td style="text-align: center;">(18.230)</td> </tr> <tr> <td style="text-align: center;">2015-16</td> <td style="text-align: center;">291.362</td> <td style="text-align: center;">279.249</td> <td style="text-align: center;">(12.113)</td> </tr> </tbody> </table>		<b>a) Full Council Approved Budget</b>	<b>b) Actual Spend</b>	<b>c) Underspend(-) /Overspends</b>	<b>Financial Year</b>	£m	£m	£m	2010-11	310.369	320.912	10.543	2011-12	310.960	294.424	(16.536)	2012-13	292.265	266.743	(25.522)	2013-14	297.806	270.621	(27.185)	2014-15	293.933	275.703	(18.230)	2015-16	291.362	279.249	(12.113)
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	<p>3. In relation to the MTFS 2017-2020 report (Page 27 on the agenda papers); the Committee queried what is the budget for strategic support? Plus does this include scrutiny support, which can further the Council’s goals around promoting greater openness and transparency?</p> <p><b>Response:</b> The estimated budget for strategic support over the MTFS period is around £750k to £1.2M. The budget does not cover any specific support for scrutiny. However, budget scrutiny training has been separately procured and the date for this is currently being re-arranged following the cancellation of the originally agreed date (12 Sept.) due to Eid.</p>

**LONDON BOROUGH OF TOWER HAMLETS**  
**Pre-Decision Question - Overview and Scrutiny Committee – 1<sup>st</sup> Sept. 2016**

Cabinet Report	Question / Response
<p><b>Item 5.5 Procurement of Cleaning and Associated Services Contract</b></p>	<p><b>1. That Cabinet looks at the example of the London Borough of Southwark, who has brought the cleaning contract back in-house and has secured financial savings through better procurement practice. ?</b></p> <p><b>Response:</b>                      In-sourcing has been considered as part of this review. It has been noted that Contract Services currently deliver an estimated 11% of the overall services within the scope of this proposed contract (through the purchase of an annual SLA; predominantly a service used by schools). These services are limited to the provision of direct labour only and do not extend to any sub-contracted services e.g. specialist cleaning, washroom or window cleaning services. Contract Services have declined to bid for the past two tender invitations due to the size, complexity and scope of requirements. Following the centralisation of property services in the council, it is considered that a full market test is now appropriate given the changes to the number and types of buildings covered by this proposed contract. Contract Services will be encouraged by invitation to tender to bid for the provision of the services, in this way the council can be assure that a value for money review has been undertaken.</p>

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