



Meeting of the

COUNCIL

Wednesday, 22 February 2017 at 7.00 p.m.

BUDGET AMMENDMENTS AND OFFICER COMMENTS

	PAGE NUMBER	WARD(S) AFFECTED
5. BUDGET AND COUNCIL TAX 2017/18 To consider the proposed budget amendments and associated officer comments.	1 - 26	All Wards

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BUDGET COUNCIL MEETING

WEDNESDAY 22nd FEBRUARY 2017

AMENDMENTS NOTIFIED IN ACCORDANCE WITH BUDGET MEETING PROCEDURE RULES

AGENDA ITEM NO. 5:- BUDGET AND COUNCIL TAX 2017/18

Documents attached:

- 1. AMENDMENT PROPOSED BY COUNCILLOR OHID AHMED AND SECONDED BY COUNCILLOR OLIUR RAHMAN (on peach paper) plus officer comments on the proposed amendment.**
- 2. AMENDMENT PROPOSED BY COUNCILLOR ANDREW WOOD AND SECONDED BY COUNCILLOR CHRIS CHAPMAN (on blue paper) plus officer comments on the proposed amendment.**
- 3. AMENDMENT PROPOSED BY COUNCILLOR RABINA KHAN AND SECONDED BY COUNCILLOR ABDUL ASAD (on mauve paper) plus officer comments on the proposed amendment.**

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Anti-Austerity Budget by Tower Hamlets Independent Group

Proposer: Cllr Ohid Ahmed

Secunder: Cllr Oli Rahman

The Council notes:

Mayor John Biggs inherited a record £242,000,000 overall reserves in June 2015. In spite of the Coalition and Conservative Government cuts, the Lutfur Rahman Administration put aside that healthy sum of money in order to help, protect and support residents and staff.

John Biggs received £232,000,000 from the Conservative Government last year – with an extra £13,270,000 for decent homes, a further new £100,000 for tackling rogue landlords, as well as, £124,000,000 budgeted increase in the local business rates and £90m of New Homes Bonus for the work done by the previous Administration.

John Biggs is expected to receive extra £51,000,000, according to council's own record in the next three years under Community Infrastructure Levy (CIL), as well as millions in the New Homes Bonus, s106 and in other grants/funding.

The Government also gave the Biggs Administration £3,860,000 funding, more than expected last year, and again this year the overall settlement, worth **extra millions**.

John Biggs could have protected residents and staff by spending as is needed and left the Council with the minimum 'prudent amount of reserves' to mitigate any risks. But Mayor John Biggs has made different and terrible choices.

John Biggs chooses to inflict unfair and disproportionate cuts to vital services which residents rely upon. John Biggs has chosen to made £75m of cuts, including £7.5 million to Adults Services; £7.2 million to Children's Services, and increase the Council Tax by 9% - since February 2016.

John Biggs has increased his pay by nearly 12% officially (regardless of his spin) - gifted the Conservative group leader with a 40% increase and make people redundant.

The Biggs Budget cuts and increases have included:

- Removal of the Incontinence Laundry Services – affecting the most vulnerable, just to save £41,000.
- New charges for Elderly Social Care and Learning Disability Users which will disproportionately hit over 65s (58%), women (55%) as well as the faith communities - Christians (38%) and Muslims (29%).

- School crossing patrols (Lollypop people) – Putting safety of children at risk without confirmation from all schools that they will continue.
- Cuts to Child, Adolescent and Mental Health Services – Something John Biggs' party promised/campaigned to protect when in opposition.
- Removal of Burial Subsidy and trips to Gorsefield study trips by school children - affecting the most disadvantaged children and families who are not able to pay.
- Biggs donations to Rich Mix is making it harder for our local small businesses such as the Genesis cinema and local catering businesses to compete and survive because they do not get donations from Biggs when their businesses are nearly broke. These businesses are now going to be hit harder due to Tory governments huge increases in business rates, which do not affect Rich Mix because they are legally disguised as a charity, just like Biggs self-appointed allowance increases are disguised as 'Because I am worth it Mayor', but are nothing short of greed.

This Council believes that:

The Biggs Budget is a betrayal of Labour values and the views expressed by his Leader, Jeremy Corbyn.

These shocking and shameful budget cuts are unacceptable especially as it also includes official salary increases of 11.7% for Mayor John Biggs and 40% for the Leader of Conservative Group.

This budget provides yet more evidence of John Biggs 'championing' austerity and the ideology of making the poor, the disadvantaged and vulnerable pay for the mistakes of the wealthy and those at the top.

The Biggs Budget highlights financial illiteracy and incompetence. The current administration inherited £474million in overall reserves and funding/grant, yet has chosen to cut vital services and make people redundant and made fluctuating claims about the savings.

The Biggs Budget is failing the people of Tower Hamlets.

The Biggs Budget is a betrayal of pledges made before the Mayor John Biggs was elected: *promises on transparency, crime, anti-social behaviour, drugs and community safety.*

John Biggs has presided over a record fall in the number of Tower Hamlet Partnership Police Officers being funded by the Council following in the footsteps of the Tory cuts to police nationally.

People of Tower Hamlets expect better and have serious concerns about burglary, drug-related crimes and anti-social behaviour which are on the rise.

The Biggs Budget has not invested any money in drug related services yet Tower Hamlets is now one of the worst places for drug related crimes and deaths in the country.

The Biggs Budget is full of unacceptable cuts. The number of dedicated partnership Police Officers has fallen shamefully from 40 to 6, resulting in community feeling unsafe and abandoned.

The Biggs Budget is making matters worse, by removing the Community Safety Coordinator post, another unacceptable cut.

That the Biggs Administration must stop wasting public money on PR stunts such as Mayoral Assembly and Mayor's Question time but should undertake all such activities as part of normal duties within existing service costs.

That the £1.4m cut of the Council Tax support subsidy for the poorest is a step too far and should be reversed – just like his cuts to nurseries, youth centres and the most vulnerable in the society.

That Independent Group budget proposal provides an alternative – an anti-austerity budget - to the Biggs' Austerity Budget and demonstrates how Mayor John Biggs

can do his job better and more effectively - without implementing and championing the Tory austerity agenda.

The Council resolves:

- To adopt The Independent Group's Anti-Austerity Budget Proposal.
- Not to cut the frontline services, e.g. nurseries, youth centres & community safety, combating drug-related crimes and projects just to name a few areas.
- Not to make any cuts to social care which is wrecking the NHS.
- To use reserves wisely rather than cut vital services.
- To immediately develop income generation and invest to save proposals backed up by resources, priority and leadership
- To campaign with other councils so the Government offers - the Surrey Council 'sweetheart deal' - revealed by Jeremy Corbyn at the Prime Minister Questions to all boroughs especially those with higher levels of deprivation, like Tower Hamlets.
- To use the publicity resources of the council to build up a massive public campaign of people in the borough to bring pressure to bear on the government to release the funding necessary to maintain our public services.
- Reverse Mayor John Biggs' salary increase as well as Councillors' allowances and SRA increases - £111,000 - instead invest these monies back into keeping our frontline services open such as our nurseries.

Savings		
Description	Impact	Comments/Policy decisions by the Independent Group
Corporate supplies, services, hospitality and catering	1,200,000	Fair and effective distribution of cuts and resources. This is based on the analysis of last year's budget and current allocation. Total current allocation is about £4m.
Freeze on vacant posts above £50,000 - excluding frontline, teachers, social workers, children services, and those in sensitive/critical and statutory posts. No current staff affected	650,000	Does not affect anyone currently in the post, or for which an interview has taken place - excluding statutory roles, social workers, teachers, children services or essential front-line or those on London Living Wage. Currently there are 122 such posts over £65k. 74 of them are above £80k.
Reduce Mayor John Biggs' personal Office budget	150,000	Fair distribution of funds and cuts.
Remove Mayor John Biggs' publicity budget	25,000	No need - if underspend due to public pressure - release this amount from the official budget figures.
Growth (various) in communications, including the £250k 'secret campaigns fund' for the election year, unnecessary increases, spend, publicity and other services when the Council is cutting front-line services	627,000	£250k for campaigns funds leading into election year! Why when vital service users and staff are squeezed. Is this for Mayor's election year promotion. This saving can easily be achieved by a reduction in the spend on non statutory consultations, publications, campaigns, non essential communications etc. - as well as removing the spin doctor post at £127k when the administration is cutting key services. This will mean we still have all the staff to 2016 level with long standing hard working staff in the team who carry out an excellent job.
Reverse Mayor John Biggs' personal salary increase of 11.7%, the Conservative group leader's salary increase of 40%, as well as the Independent Group and others group increases - Members' Allowances reversed to pre-18th-May 2016 level	111,000	Fairness distribution of cuts and funds. Mayor has claimed nearly 6% increase last year and have refused to confirm at O&S whether he will claim the full 11.7% he gave to himself. Regardless of the spin, the 11.7% is included in the MTFs/budget for Mayor's personal salary, and should be reversed. Even at 6% increase claimed by him last year, and potentially 11.7% in 17/18 or 18/19, it will be at least £12,000 increase over the term. Whatever spin John Biggs chooses to put on this due to public pressure, the official 11.7% increase needs to be reversed, and paid back. John Biggs' Labour group proposed and passed a motion to reduce this salary when in the opposition, but when in power, John Biggs has hypocritically increased it - agreed by the same group of Cllrs.
Remove the Mayor's 3 personal advisers	21,000	Mayor John Biggs do not need to pay two salaries to his party councillors. Hypocritically, when in opposition, John Biggs' Labour Group passed a motion to stop such appointments, now in power, they have done the opposite. What happened to the self-proclaimed transparency, consistency and accountability?
Reduce expenditure on highly-paid consultants and/or highly paid agency staff – in last two years, the spend is £52m	2,500,000	We do not think spending nearly £2.5m on budget consultants to achieve savings is the best value for money. Neither the current spend where the Council is currently recruiting highly paid consultants/agency at nearly £650 a day is sustainable or fair. This saving will be clearly focussed on general fund.
Bring all housing providers in-house which are selling the family silver - our housing stock in auction - and have failed to provide good service to residents. Bring ALMO back in house	1,000,000	Bring ALMO in-house to provide strategic overview, monitoring, direction and control. This will not only create efficiencies on various fronts but also provide more housing stock management/funding options. This will also help the council deliver more effectively in an important policy area of housing. Scope for more hybrid savings to both general fund as well as HRA/capital in future.

Income generation - Utilise current networks, position and resources to develop and increase advertisement and other potential revenue streams and commercial focus in terms of all council premises and facilities, committee rooms, council chamber, idea stores, roundabouts, schools, sports facilities and others assets - linking to our strategic theme of income generation, optimisation, growth and invest to save in spending.	1,000,000	This proposal was proposed last year by us and has partially been taken up by the Mayor but its scope, projections and vision remain meek and uninspiring. When you cut so much, so fast - you need to show courage and vision about income generation, growth and invest to save proposals which is lacking in the current budget proposals by John Biggs.
Increase in planning/development related advice and charges for the multi-million pound big developers – not ordinary residents and community groups	£250,000	Equal and fair fees and charges increase.
Increase fire-works display to three smaller venues/events at £20,000 each and the coverage of festive lighting with reduced contracts costs and efficient lighting across the Borough, with sponsorship, and close to self-funding principle rather than current budget of £145k	£100,000	Current budget of £260k is neither robust nor the best value for money.
Stop/reduce spent on all external recruitment consultants, e.g. Penna and Greenpark etc.	£100,000	Use in-house through HR and advertisement on professional career and specialist websites.
Reduce Transformation budget of £25m, including up to £15m for severance (part of one off reserve allocation in the current budget)	£10,000,000	This is absolutely senseless timing, allocation and waste of public money without understanding of the context of the budget cuts on residents. At most, use £15m for any essentials projects if really needed. Around £4 to £5m is used per year for this at present, so £12m to £15m over the next 3 years should be more than enough. Majority of the money going to consultants. We understand this is a one-off contribution but it will allow enough time for the Council to review and reinvigorate its strategic policy and finance approach - where residents are put first - and along with other proposals in our alternative budget will ensure a overarching policy direction that can ensure that we meet all our financial commitments proudly and prudently.
Reduce ICT budget of £25m for a contract (one off reserve allocation in the current budget) The current ICT contract is over £10m already, and this will take the ICT contract spend to more than £35m	£10,000,000	We understand that there's a need of some investment in ICT but this proposal is without any details, not even half-baked, and probably waste of a lot of money at completely the wrong time, again without any understanding of the context of the cuts on the residents. Use essentials/important/urgent areas for any ICT upgrade. No proper details nor any type of plan given to justify this fund either. We understand this is a one-off contribution but it will allow enough time for the Council to review and reinvigorate its strategic policy and finance approach - where residents are put first - and along with other proposals in our alternative budget will ensure a overarching policy direction that can ensure that we meet all our financial commitments proudly and prudently.
Town Hall subscriptions	12,000	No need in the current climate of cuts.
Income generation - Night Levy	30,000	As agreed by the Council - income generation - We understand this is not included in the budget. Use it to better manage night-time economy and reduce corresponding amount of the savings in the service area. We have not had the final confirmation amount despite requests but we have enough resilience and robustness in our alternative budget for any minor adjustments, if needed, and still being balanced and fully costed.
Reduce separate filming budget and increase potential income by having more income generation and optimisation approach - linking to our strategic theme of income generation, growth and invest to save approach	45,000	To be done by in-house by communications/publicity team or parking etc. who arrange suspension of bays etc. as was/is the case in other boroughs like Kensington and Chelsea and others.

New Homes Bonus	7,000,000	New income in addition to £12.5m NHB in the MTFS. Since 2015, the council has received £90m in NHB for the work done by previous Mayor Lutfur Rahman administration. 2015-16 - £24.837m (includes £7.024m Local Enterprise Partnerships) - £17.813m included within the MTFP budget in 2015/16). 2016-17 - £28.641m (£21.617m was included within the MTFP budget for 2016/17; £7.024m is set aside now separately but none of this is going to be used in 2017/18. The Council is already using NHB for various purposes already. We nevertheless have unallocated NHB. If the choice before us is to use the money to help our residents and tax payers now or put it away in some fund that does not do that, we are minded to help the residents while we put in place other measures to increase the funding, attract investment and growth, and build up our campaign to lobby the Government and stakeholders for a fairer grant settlement/resources.
In-built contract inflation is up to 6% in some contracts above £1m - not the best value for money - a technical adjustment	600,000	Technical adjustment
Fair and proportionate reduction of cost in the printing, webcasting, proposed new microphones etc. in the Democratic Services with half of the savings used for invest to save technology	100,000	Use part of this money to trial a small pilot scheme for certain paperless committees to begin with, as part of existing/or updated ICT contracts arrangements. Currently IT contract is £10.4m, with additional £15m to £25m allocated in the current budget. The printing cost if £50k alone. Environment friendly, easy to manage for staff and efficient.
Utilisation of Landlords Licensing Income	300,000	So far the council has raised £930,000 with more expected. This is ring-fenced but should be allocated for more innovative and effective use in the service for the same area, with corresponding cut in the same service area reduced.
Adjustment based on anticipated out-turn figure	0	Despite repeated requests, we have not been given the figure. Each year, there's a underspent which is usually put towards the reserve. Based on the evidence in previous years, the contribution to reserve can be anything between £500k to £3.5m. But to be on cautious and prudent side, we have not included this in our savings calculation.
Tax base growth	0	There will be a tax base growth and new developments, yielding around £5-£6m as assumed by the MTFS/current forecast in the Mayor's budget which could also be used to be put towards the reserves or to balance the general fund in our alternative budget/MTFS envelope. But to be on cautious and prudent side, we have not included this in our savings calculation.
Total (Savings)	35,821,000	
Spending		
Description	Impact	IG Comments/Policy decisions by the Independent Group
Stop Mayor John Biggs' decision to increase the Council Tax by 5%	4,000,000	
Stop Mayor John Biggs' decision to cut 18 youth centres. Reverse youth centre cuts, protect our youth staff + strengthen current monitoring and management	1,800,000	TUPE will not save staff. There are not same numbers of jobs. Tupe will/can be changed and posts deleted. This is just a gimmick. So far specific TUPE details have been withheld despite requests. After the comments by the Mayor/Cabinet member in the Council meeting that this was only an 'interim measure', they have now decided to shut down the youth centres. We have no confidence in the rationale provided and believe that another 3 youth centres will be shut down by Mayor John Biggs in next years if this is not stopped - reducing the youth centres from 26 to 8 now and 5 in two years' time.
Stop cuts to nurseries, children centres and children services	2,000,000	Reserves all cuts to nurseries that will result in privatisation, potential fee increase for parents, negatively impact on the teacher to pupils ratio and support for the SEN and result in future closures of our nurseries.
Re-open Queen Marry or a new nursery in the area	700,000	Queen Mary nursery was shut down after promise that it will not happen by the Mayor/Cabinet Member. Use partial capital support if required Alternatively, use one of the youth centre buildings, or a youth centre cum nursery, or any of the property on the disposal list.
Reverse cuts to the Council Tax subsidy for the poorest, actually providing 100% support, by reversing the cut of £1.4m imposed by John Biggs	1,400,000	*Only available from 2018/19 as the Mayor and his group has already decided to cut for £1.4m this year last month.

Reverse/invest/retain the Community Safety Coordinator + Invest in the CCTV upgrade in Housing Estates and crime hotspots	700,000	Putting community first, tackling crime, anti-social behaviour and gangs.
Set up an immediate team to work closely with neighbouring boroughs to merge possible non-frontline - back-office services - explore selling the services of appropriate areas, sharing services with neighbouring boroughs if possible that does not affect services for the residents, front-line services or staff	200,000	Making prudent savings that does not affect our front line services or staff.
Invest in dedicated community policing by working with the Borough Commander and jointly purchase additional full dedicated partnership police officers x 10 - helping and working with the community safety team	700,000	Figures provided after consultation with the Police. Making Tower Hamlets safer.
Tower Hamlets Community Fund	1,000,000	Support for community, third sector and voluntary organisations.
Hate Crimes Team - Invest resources in hate crimes that is on increase - monitoring and prosecution of culprits	100,000	Challenge and prosecute people who commit hate crimes. Provide reassurance.
Invest in combating drug related crimes and rehab: Drug Dealer a Day + Restart Nafas - combating drug crime and helping recovery and rehab	500,000	Tackling increase drug related crimes and emergencies/health issues head on.
Income generation – Invest to save team	200,000	Bring an inward investment, income optimisation and growth. Working closely with other teams and neighbouring councils.
Save Our High Street Fund - Help small businesses, entrepreneurs, local high street shops that face closures due to astronomical increases to business rates/re-evaluation increasing their costs, forcing them to shut down	5,000,000	Support, fund, lobby and create a sustainable long term support network.
Youth Opportunities Fund	1,000,000	Supporting our young people find jobs, gain life and career skills, find placements and support them making decisions and provide educational and other opportunities.
Mayor's Education Bursary	300,000	New hybrid model supporting education, excellence, aspiration, hard work and ambition.
Fight Child Poverty Together	1,000,000	Allocating resources to fight child poverty in a borough where nearly half of the children still live in poverty.
Fight Poverty Together	6,000,000	Support for residents who are struggling/hit by austerity or Biggs budget cuts.
Cleaner Tower Hamlets Fund	1,000,000	Invest to make Tower Hamlets cleaner and greener.
Out of Hours Coroners Service	150,000	Investment in the Out of Hours Coroners Service
Tower Hamlets Brexit Fund - Mitigate Brexit Impact, promote, protect and attract Tower Hamlets and its businesses, using our strategic location and proximity to Canary Wharf	1,000,000	Help sustain, retain and attract businesses. Protect and project Tower Hamlets as the place for businesses and entrepreneurs working closely with stakeholders and Canary Wharf.
Total (spending)	28,750,000	
Contribution to the Reserves/Risks	7,071,000	This amount can be returned to the reserves or used to mitigate any risks.

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE INDEPENDENT PARTY

The following sets out comments by the Section 151 Officer and the Monitoring Officer on a proposal offered up in the budget amendment. Members of the Council should take this advice into consideration when considering and debating the amendment in question.

Comments of the Chief Financial Officer

The proposals are considered to be cost neutral in 2017/18 and over the MTFS period 2017/20, although there are likely to be some additional one-off costs associated with potential redundancies or the termination of contracts. These costs could be met from reserves.

Where savings involve redundancies staffing changes, or service decommissioning, they will be subject to the council's organisational change procedures and are unlikely to be implemented by 1 April 2017. As a result, full year savings will not be realised in 2017/18. In order to mitigate this, additional spending proposals could be delayed, or general reserves used to deal with the financial impact.

The proposals also include a significant one-off use of reserves to balance the budget over the MTFS, with £13m coming from reserves and £7m from New Homes Bonus. The current forecast of £58m savings required by 2020 is predicated on annual recurrent savings being delivered rather than one-off adjustments. It should therefore be noted that this proposal will increase the need for recurrent savings in future years. Additionally, it may limit the scope for using reserves to cover redundancy and slippage costs referred to in the paragraphs above.

Comments of the Monitoring Officer

In coming to decisions in relation to the revenue budget and Council Tax, the Council must act in accordance with its statutory duties and responsibilities; must act reasonably; and must not act in breach of its fiduciary duty to its ratepayers and Council Tax payers. Pursuant to Section 32 of the Local Government Finance Act 1992 a series of calculations are required to work out the Council's budget requirement. The level of these calculations, and in particular the calculation of the budget requirement is of crucial importance both legally and financially as the amount of the budget requirement must be sufficient to meet the Council's budget commitments and thereby ensure a balanced budget (i.e. the Council needs to set its operating revenue at a level to meet operating expenses). This requirement is reinforced by Section 114 of the Local Government Finance Act 1988 which requires the chief finance officer to report in a financial year if the Council is likely to exceed the resources (including sums borrowed) available to it to meet its expenditure.

This proposed amendment contains savings and spending proposals which

balance each other out and consequently achieves the requirement for a balanced budget.

The Council is required when exercising its functions to comply with the duty set out in Section 149 of the Equality Act 2010, namely to have due regard to the need to eliminate unlawful discrimination, advance equality of opportunity between those who share a protected characteristic and those who do not, and foster good relations between those who share a protected characteristic and those who do not. Any proposed changes that may have an equality impact will require some form of equality analysis before they could be implemented.

Conservative Budget Amendments 2017/18

Proposed: Cllr Andrew Wood
Seconded: Cllr Chris Chapman

This Council welcomes:

1. The decision to plan over three years and to look at the outcomes of the decisions we make.
2. That the Council has fared better overall than the average of all authorities and against other London Boroughs as regards its Settlement Funding Assessment from the government

This Council believes:

1. That a 1.99% council tax rise beyond that required to invest in adult social care is unnecessarily high and increases pressures on the finances of hard working local families, with no obvious corresponding benefit.

This Council further believes:

1. That the Rapid Response Team is neither rapid nor responsive and is no longer required given our investment in the police, who are the true rapid response team
2. That twenty-two staff working in the Communications team do not match the perceived output of the Comms team to residents and that the Internet offers a cheaper way of engaging with and communicating to residents
3. That the 'One Tower Hamlets' agenda is a legacy of the previous administration, which worked on any principle but 'One Tower Hamlets', and should accordingly be reduced.
4. That integration of the community is far better enhanced, and greater opportunities made open to residents, if there was greater provision for English language classes (ESOL). This should be funded by eliminating spending on non-statutory translation.
5. That the council needs to manage growth effectively, and begin thinking creatively and strategically about providing better services at less cost. Boroughs across London have made substantial savings through merging back-office functions and even some front-line services. Creating such joint workings with other boroughs should now be less difficult than it was under an isolationist administration.
6. That large areas of Tower Hamlets do not have a publicly provided CCTV network, even those areas previously attacked by terrorists. Extra CCTV control room staff would help monitor additional cameras funded through S106/CIL/NHB.

This Council amends the Mayor's budget as follows:

1. Implement the following reductions in expenditure:

Description	2017/18 Impact	Detail
Rapid Response Team	£286,300	Removal of Rapid Response Team
Communication budget	£501,960	Reduction of staff and external spend in Comm's team
Mother tongue	£707,000	Remove budget for Mother Tongue
One Tower Hamlets	£353,000	Reduction in staffing for One Tower Hamlets
Trade Union Facility Time	£258,000	Removal of funding for full time staff
Celebration events	£50,000	Removal of two celebration events
Non-statutory translation	£82,000	Stop non-statutory translation of documents into foreign languages in order to promote cohesion, and follow DCLG best practice (see ESOL below)
Media monitoring	£25,000	Ending external cost of monitoring THC news
Total	£2,263,260	

2. Implement the following increases in expenditure:

Description	2017/18 Impact	Detail
1.99% Council Tax	£1,626,000	Reverse 1.99% of Council Tax increase
Police extra funding	£350,000	To be left to Borough Commander whether to invest in additional officers or overtime allowing SNT's team to do more night work
ESOL classes	£107,260	Fund extra ESOL classes with the aim of abolishing waiting lists for ESOL, in order to promote cohesion in the borough
Joint working	£50,000	Fund to help deliver future savings programme through working with other Councils
Planning	£50,000	One extra staff member to help enforce agreed planning applications
CCTV control staff	£80,000	Extra operators
Total	£2,263,260	

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE CONSERVATIVE PARTY

The following sets out comments by the Section 151 Officer and the Monitoring Officer on a proposal offered up in the budget amendment. Members of the Council should take this advice into consideration when considering and debating the amendment in question.

Comments of the Chief Financial Officer

The proposals are deemed to be cost neutral in 2017/18, although there are some additional one-off costs associated with potential redundancies or the termination of contracts. These costs could be met from reserves.

Where savings involve redundancies staffing changes, or service decommissioning, they will be subject to the council's organisational change procedures and are unlikely to be implemented by 1 April 2017. As a result, full year savings will not be realised in 2017/18. In order to mitigate this, additional spending proposals could be delayed, or general reserves used to deal with the financial impact.

Comments of the Monitoring Officer

In coming to decisions in relation to the revenue budget and Council Tax, the Council must act in accordance with its statutory duties and responsibilities; must act reasonably; and must not act in breach of its fiduciary duty to its ratepayers and Council Tax payers. Pursuant to Section 32 of the Local Government Finance Act 1992 a series of calculations are required to work out the Council's budget requirement. The level of these calculations, and in particular the calculation of the budget requirement is of crucial importance both legally and financially as the amount of the budget requirement must be sufficient to meet the Council's budget commitments and thereby ensure a balanced budget (i.e. the Council needs to set its operating revenue at a level to meet operating expenses). This requirement is reinforced by Section 114 of the Local Government Finance Act 1988 which requires the chief finance officer to report in a financial year if the Council is likely to exceed the resources (including sums borrowed) available to it to meet its expenditure.

This proposed amendment contains savings and spending proposals which balance each other out and consequently achieves the requirement for a balanced budget.

The Council is required when exercising its functions to comply with the duty set out in Section 149 of the Equality Act 2010, namely to have due regard to the need to eliminate unlawful discrimination, advance equality of opportunity between those who share a protected characteristic and those who do not, and foster good relations between those who share a protected characteristic and those who do not. Any proposed changes that may have an equality impact will require some form of equality analysis before they could be implemented.

MOTION; **A, Fair Budget Motion 2017 – People’s Alliance of Tower Hamlets**
Proposer; **Cllr Rabina Khan**
Seconder: **Cllr Abdul Asad**

The Council Notes;

1. The Council Core Spending Power to fall by £7m by 2020 (2.5%) in cash terms
2. The Gross expenditure budget for 2017/18 is £1,289,163,591. Net Budget - £338.896m
3. Initial fall of around £7m expected in 2017-18 before further fall and rise again in the final year
4. Future plans to make savings are as follows;

£20.3m savings in 2017-18
£15.4m savings in 2018-19
£15.7m savings in 2019-20
£51.6m savings in total

The Council Welcomes;

1. All elected members and staff in engaging with Commissioners to implement the Directions by the Secretary of State
2. All staff working to ensure services are been delivered for residents in at time of economic difficulties and in particular frontline staff working in Children’s Centres, Careers Services, Nurseries, Adults and Children’s Services working to address social, health and economics issues faced by children and young people and vulnerable adults in Tower Hamlets.

The Council Believes;

1. Mayor John Biggs misled and was disingenuous to his Cabinet, Elected Members and the residents of Tower Hamlets in the Cabinet Budget Report as he stated in his foreword that **“For several years, reserves had been run down to cover gaps...”**
2. The following table clearly shows year on year increase of the council’s reserves

Reserve Summary - Closing Balance from 2010/11 to 2016/17							
	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	Estimate
							2016/17
General Fund	(£23,379,968.98)	(£26,923,968.98)	(£38,066,769.17)	(£64,989,134.92)	(£71,457,423.64)	(£72,103,350.76)	(£31,100,000)
Earmarked Reserve	(£85,984,298.50)	(£97,931,829.03)	(£103,282,188.51)	(£107,081,935.77)	(£120,663,766.87)	(£122,031,461.89)	(£159,000,000)
School Balance	(£23,370,192.20)	(£25,783,116.55)	(£31,870,639.33)	(£34,724,071.80)	(£35,987,600.74)	(£31,810,301.53)	(£31,810,301.53)
HRA	(£12,785,629.49)	(£14,577,628.49)	(£16,232,841.97)	(£18,149,244.74)	(£21,143,547.15)	(£32,092,112.66)	(£32,092,112.66)
	(£145,520,089.17)	(£165,216,543.05)	(£189,452,438.98)	(£224,944,387.23)	(£249,252,338.40)	(£258,037,226.84)	(£254,002,414.19)
	Nearest 000s	Nearest 000s	Nearest 000s	Nearest 000s	Nearest 000s	Nearest 000s	Nearest 000s
Capital Receipts Reserve	(£24,424,000.00)	(£27,608,000.00)	(£20,642,000.00)	(£20,945,875.50)	(£49,134,538.42)	(£86,381,434.68)	(£86,381,434.68)
Capital Grants Unapplied	(£19,751,000.00)	(£50,156,000.00)	(£55,701,000.00)	(£54,537,429.96)	(£55,484,799.26)	(£56,195,154.11)	(£56,195,154.11)
Major Repairs Reserve	£6,346,000.00	(£7,985,000.00)	(£12,364,000.00)	(£16,394,791.01)	(£22,172,574.30)	(£9,175,249.53)	(£9,175,249.53)
	(£196,041,089.17)	(£250,965,543.05)	(£278,159,438.98)	(£316,822,483.70)	(£376,044,250.38)	(£409,789,065.16)	(£405,754,252.51)

3. A total of 9% increase in Council Tax. The 3.99% council tax rise for the 2016-2017 Budget was unnecessarily high and increased pressures on the finances of hard working local families and with the proposed further 4.99% for 2017-2018 will have an even more of a detrimental effect on working households.
4. The Mayor's new Council Tax Reduction Scheme **does not retain the original 100%** support for working age households and has misled the public by stating that it retains the 100% support for working households.

The following changes impacting on working households will generate an income of £1.4 million pounds.

- (a) the period for which backdated claims for LCTRS can be made will be one month;
- (b) the length of time LCTRS claims can continue whilst the recipient is abroad will be 4 weeks;
- (c) the Council will introduce a scheme in addition to LCTRS to help applicants suffering exceptional hardship;
- (d) households with non-dependants income above £370.50 per week will be excluded from support
- (e) non-dependant deductions will apply to all other non-dependants with income below £370.50 per week
- (f) an assumed level of income will be made for self-employed earners where their self-employment earnings after one year is declared at below equivalent minimum wage levels,;
- (g) the savings limit is to be lowered to £6k from £16k in order to qualify for LCTRS

The Council Further Notes;

1. The Mayors' Budget fails to capture ambition, vision and growth for the borough
2. The Mayor's Budget fails to consider the implications of Brexit in the borough and its impact on both a growing young population and older generation with varying needs. "We are proposing the council introduce a 'My Tower Hamlets Card' (similar to the Westminster model) to residents to help access discounts to goods and services to help drive down resident's household costs."
3. Mayor Biggs's Budget proposes £4.8m cuts to children and young people services but yet gives himself £6 million pounds for his Mayoral priorities for 2017/18 (Election Year) and half a million is proposed in a growth bid for the Communications and Marketing department.
4. Mayor John Bigg's Mayoral Priority Reserve of £6 million is not "an unavoidable growth" bid but is a "transparent" politically driven election/campaign slush fund.

5. At Overview and Scrutiny Cllr Abdul Asad questioned the use of consultants and it was confirmed that approximately 9% of the council staff are consultants and agency staff. Under Mayor Biggs the use of consultants and agency staff has doubled from 4.5% to 9%.
6. The GLA 2015 Round Projections for the borough states that there are 40,400 children aged 0-9 years of age and will rise to 45,000 in 2021; it also projects there are 30,300 aged 10-19 year olds and will rise to 35,100 in 2021.
7. Tower Hamlets Children's Services received Good with Outstanding features in the last two OFSTED inspections and it is essential to make sure our services for children and young people are protected and invested in.
8. That Mayor John Biggs Budget 2017/18 hits the most vulnerable people in particular children and young people in Tower Hamlets and impacts on community safety.
 - £7.5 million cut to Adults Services
 - £7.2 million cut to Children's Services
 - £1million cut to Community Safety Services
 - Over £100,000 cut to Anti-Social Behaviour (there is a proposed £255k saving to the Rapid Response Team)
 - Community Safety Coordinator post removed
9. That Mayor John Biggs continues his legacy of failing the most vulnerable in particular children and young people from his previous budget of 2016/17 included;
 - Removal of Incontinence Laundry Service
 - Charges for Elderly Social Care and Learning Disability Users
 - Removal of school crossing patrols
 - Cuts to Child, Adolescent and Mental Health Services
 - Removal of Burial Subsidy
 - Removal of subsidy trips to Gorsefield study trips by school children – 1 in 3 children live in poverty in Tower Hamlets and much needed trips like this still carry financial costs for struggling families

This Council amends the Mayor's budget as follows;

1. Reverse the following proposed cut in expenditure and Increase investment:

Description	Impact	Detail
Youth Centres	£1.8 million	Reverse the decision to cut £1.8 million from Youth Service Budgets. This funding gap can be closed by reducing spend on agency staff and £400k from the Mayoral Priority Reserve Fund
Children's Centres/ Tower Hamlets Nurseries	£2.408 million	Reverse the decision to cut £2.408 million from Children's Centre budgets. This funding gap can be closed by the deducting £2.408 million from the Mayoral Priority Budget Reserve (£6 million)
Improving Employment Support for Adults with Disabilities	£319k	Reverse the decision to reduce the cut from £319k. This funding gap can be closed by the deducting £319k the Mayoral Priority Budget Reserve (£6 million)
Social Care Services for Older People	£1 million	Reverse the decision to reduce the cut from £1m. This funding gap can be closed by the deducting £1m the Mayoral Priority Budget Reserve (£6 million)
Tower Hamlets Careers Service	£537K	Reverse the decision to cut £537k. This funding gap can be closed by the reduction of Marketing & Campaigns Growth Bid of £563k to £300 and £274k Council Tax income will close the funding gap. In addition the Mayors Apprenticeship can be delivered through the Careers Service through targeted work making further savings.
Better Targeting of services for children with special educational need and disabilities (SEND)	£1.14 million	Equalities Impact Assessment a reduction in budget means that the Educational Psychology Service will be reduced impacting on SEND children and young people. Funding gap can be filled with the Mayor's Reserve Budget
Council Tax	£4 million	Reverse the 4.99% increase in Council Tax A total of 9% increase in Council Tax. The 3.99% council tax rise for the 2016-2017 Budget was unnecessarily high and increased pressures on the finances of hard working local families and with the proposed further 4.99% for 2017-2018 will have an even more of a detrimental effect on working households.
Maximising Council's £2 billion Assets - Invest £20k towards Joint working strategy to increase the use of council asset to generate income	£20k	In 2016/17 the council 's asset register included the following; 730 assets with a total value of £2bn Approximately £1bn relates to Council Housing stock £660m for schools with the balance of £440m for other assets

Temporary Accommodation Units	£1.339m	Ensure TA units are either in Tower Hamlets or ½ mile outside the borough
My Tower Hamlets Card	£50k	Investigate the Westminster model of introducing a card to residents to help access discounts in accessing goods and services which will help drive down resident's household costs. £50k can be allocated from Business Rates
Income Generated from Business Tax	£40k	Activities in light of Brexit to attract Businesses in Tower Hamlets to grow the Business rates tax base
Total	£12.653m	

2. Implement the following reductions in expenditure;

Description	Impact	Detail
Reduce expenditure on highly-paid consultants and/or highly paid agency staff – current spend is about £23m overall. 9% of the council's workforce are consultants and agency staff	£4.966 million	The total agency and consultancy spend in 2016/17 to date is approximately £19m; we therefore expect the total projected spend for 2017/18 to be about £23m. Urgent need to; Prioritise internal redeployment Training and capacity building Reduce all consultant posts that are being filled with spend of more than £60,000 per post Reduce consultants
Reduce the Marketing & Campaigns Growth Budget	£563k	This cost needs to reduce from £563k to £300k for this current budget
Freeze all highly-paid senior and corporate level salary increases for the next two years	£200k	This is on the assumption that an additional 2 Corporate Posts are filled
Reduce the Mayoral Priority Budget Reserve	£6 million	Reduce the Mayoral Priority Budget from £6 million to £0
Tower Hamlets receives c 3,000-3,300 applications (all types) each	£750k	Increase meeting charge from £2,000.00 to £2,250.00 per meeting a developer requests with the council's planning team

year		
Increase Charges for Advertising	£200k	Utilise Council Assets, including Idea Stores, Bill Boards, Council Intranet for advertising from private and public sector
Total	£12.653m	

3. Reallocate budgets for the following items:

Description	Impact	Detail												
Income Generated from Business Tax	£136 million	<p>The Council are expecting increased income from business rates. Business Rates are not divided against specific areas of spend as there is no ring fence or limitation attached to this sources of income. Detailed consultation must now take place with Tower Hamlets Residents as to how Business Rates Income should be spent in the borough for the future in allocation of budgets for services.</p> <table border="1"> <thead> <tr> <th></th> <th>2017/18</th> <th>2018/19</th> <th>2019/20</th> </tr> </thead> <tbody> <tr> <td>Retained Business Rates income</td> <td>£m</td> <td>£m</td> <td>£m</td> </tr> <tr> <td>Revised January/Feb Cabinet 2017</td> <td>131.4</td> <td>135.2</td> <td>139.6</td> </tr> </tbody> </table>		2017/18	2018/19	2019/20	Retained Business Rates income	£m	£m	£m	Revised January/Feb Cabinet 2017	131.4	135.2	139.6
	2017/18	2018/19	2019/20											
Retained Business Rates income	£m	£m	£m											
Revised January/Feb Cabinet 2017	131.4	135.2	139.6											

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE PATH BUDGET AMENDMENTS

The following sets out comments by the Section 151 Officer and the Monitoring Officer on a proposal offered up in the budget amendment. Members of the Council should take this advice into consideration when considering and debating the amendment in question.

Comments of the Chief Financial Officer

The proposals are considered to be cost neutral in 2017/18 and over the MTFS period 2017/20, although there are likely to be some additional one-off costs associated with potential redundancies or the termination of contracts. These costs could be met from reserves.

Where savings involve redundancies staffing changes, or service decommissioning, they will be subject to the council's organisational change procedures and are unlikely to be implemented by 1 April 2017. As a result, full year savings will not be realised in 2017/18. In order to mitigate this, additional spending proposals could be delayed, or general reserves used to deal with the financial impact.

The proposal includes reallocating the £6m Mayoral priority reserve within the budget to fund reversal of savings proposals. The current forecast of £58m savings required by 2020 is predicated on annual recurrent savings being delivered rather than one-off adjustments through the use of reserves. It should therefore be noted that this proposal will increase the need for recurrent savings in future years. Additionally, it may limit the scope for using reserves to cover redundancy and slippage costs referred to in the paragraphs above.

Comments of the Monitoring Officer

In coming to decisions in relation to the revenue budget and Council Tax, the Council must act in accordance with its statutory duties and responsibilities; must act reasonably; and must not act in breach of its fiduciary duty to its ratepayers and Council Tax payers. Pursuant to Section 32 of the Local Government Finance Act 1992 a series of calculations are required to work out the Council's budget requirement. The level of these calculations, and in particular the calculation of the budget requirement is of crucial importance both legally and financially as the amount of the budget requirement must be sufficient to meet the Council's budget commitments and thereby ensure a balanced budget (i.e. the Council needs to set its operating revenue at a level to meet operating expenses). This requirement is reinforced by Section 114 of the Local Government Finance Act 1988 which requires the chief finance officer to report in a financial year if the Council is likely to exceed the resources (including sums borrowed) available to it to meet its expenditure.

This proposed amendment contains savings and spending proposals which balance each other out and consequently achieves the requirement for a balanced budget.

The Council is required when exercising its functions to comply with the duty set out in Section 149 of the Equality Act 2010, namely to have due regard to the need to eliminate unlawful discrimination, advance equality of opportunity between those who share a protected characteristic and those who do not, and foster good relations between those who share a protected characteristic and those who do not. Any proposed changes that may have an equality impact will require some form of equality analysis before they could be implemented.