



Meeting of the

TOWER HAMLETS COUNCIL

Wednesday, 21 February 2018 at 7.00 p.m.

BUDGET AMENDMENTS PACK

VENUE

Council Chamber, 1st Floor,
Town Hall, Mulberry Place,
5 Clove Crescent,
London E14 2BG

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LONDON BOROUGH OF TOWER HAMLETS

COUNCIL

WEDNESDAY, 21 FEBRUARY 2018

7.00 p.m.

5. BUDGET AND COUNCIL TAX 2018/19

3 - 46

Budget Amendments Pack

Containing amendments from:

- Independent Group
- People's Alliance of Tower Hamlets Group
- Conservative Group
- Councillor Shafiqul Haque

Independent Group Budget Motion Amendment

Proposer: Councillor Ohid Ahmed

Seconder: Councillor Oliur Rahman

The Council of the London Borough of Tower Hamlets resolves to:

- ❖ Adopt the Independent Group's Alternative Budget Proposal titled "***Aspire to Serve the Many, Don't Save for the Few***", which calls upon the borough to:
 - Invest in frontline services
 - Invest in free social care for the elderly thereby supporting the NHS
 - Invest in Young People
 - Invest in Community Safety and Policing, reversing this administration's cuts in Police
 - Invest in tackling Drugs, Gangs, Hate crimes and Knife Crime
 - Invest in public nurseries to help working mothers and enhance our children's future
 - Properly fund the Tower Hamlets Youth Foundation
 - Support residents' wishes on local parking
 - Invest in effective refuse removal and tackling vermin in the borough
 - Invest in protecting the environment and green/renewable schemes
 - Use reserves, S106, CIL, RTB and other funding wisely rather than cut vital services for residents.

Enclosed are the detailed fully costed proposals reversing the cuts made to services and the cuts in needless or unwise expenditure which will pay for these. The Group's budget, which has been scrutinised by the Section 151 Officer/Corporate Director for Resources shows that resuming the prudent but citizen-focused and service-providing approach adopted by former Mayor Lutfur Rahman and his former Deputy Mayor Cllr Ohid Ahmed actually adds to council's reserves and finances, boosting the borough's economy while helping its neediest residents and providing a sound and ambitious vision for Tower Hamlets.

In Support of this Alternative Budget, this Council notes that:

A year ago, the Independent Group proposed a fully costed Anti-Austerity Budget but our pleas to act differently fell on deaf ears and the residents of Tower Hamlets suffered the consequences of Biggs's Big Failures and Cuts.

The Biggs Budget betrays the pledges he made when he was running for the position. His vote-catching promises on transparency, crime, anti-social behaviour, drugs and community safety are all broken and in tatters.

The Lutfur Rahman Administration had an enviable record of delivery for residents, working hard to protect services, investing in key areas, and planning well ahead for a rainy day, but Mayor Biggs spurned its example. Mayor John Biggs has had alternative options since 2015 in three budgets, and he could have stood up for residents, protected services, and supported staff, but he chose instead to promote his own austerity agenda which, like the government is, targeted the weak and vulnerable.

Despite the austerity cuts the Lib-Dem/Conservative Coalition Government had imposed on the borough, the previous administration of Mayor Lutfur Rahman, Deputy Ohid Ahmed and former finance chief Alibor Choudhury had achieved efficiency savings of some £100 million between 2010-15 while protecting our residents as far as possible and Mayor Biggs inherited a record £409 million in reserves from his predecessors, who had planned to protect community services and to help our residents in the face of anticipated Whitehall austerity, which has been championed by Mayor John Biggs in Tower Hamlets since 2015.

In contrast, since taking office in 2015, although he ran for Mayor as the *Labour* candidate, Biggs has doggedly pursued a failed Neoliberal policy of austerity and budget cuts despite getting significant additional funds from Whitehall. He has pursued privatisation in the name of outsourcing even as Carillion's collapse shows the folly of such policies. Of course, Tower Hamlets has had its own mini Carillion – Life Line – a company that the Biggs administration contracted with just six months before its own lifeline ran out and went bust.

The Biggs Budget epitomises financial illiteracy and incompetence. The current Administration has chosen to cut vital services and make people redundant despite the reserves, other monies, and unanticipated/additional funding from Whitehall.

The New Resources available to Mayor John Biggs include:

- In 2016, £232m from the Government - with an extra £13.2m for decent homes.
 - In 2016/17, Government also gave the Biggs administration £3.86m additional funding, more than originally expected in the 2016/17 settlement.
 - In 2017, £124m budgeted increase in the local business rates. Over £8m collected now.
 - In 2017, another £5.36m of New Homes Bonus – over £100m in total - was paid for the achievements and hard work of former Mayor Rahman and Deputy Ohid Ahmed.
 - In 2018, in addition to the core budget grant from the government, the combined total (CIL, S106, RTB, IBCF, business rates and the new adult social care funding announced in February) is £235,070,000 all of which at the Mayor's disposal.
 - While the government forced John Biggs to drop tenants' rent by 1%, Biggs hiked tenants' service charge by 4% this year alone in his budget, and to rub in his callousness, he removed Council Tax Support from the most vulnerable and struggling self-employed residents with a massive cut of £1.4m.
- ❖ Instead of using these resources to serve the many, Biggs' Budget choices are totally at odds with the values and policies of Labour leader Jeremy Corbyn and Shadow Chancellor John McDonnell. John Biggs' spectacularly failed Tower Hamlets and betrayed its voters. His lackluster leadership, his savage cuts and incompetence have had measurable results. Most of Biggs' Budget cuts disproportionately target upon women, children, and young people and faith communities. He slashed budgets for Adults/Social Care, Youth Services and for Child Services so, for example, in 2017 OFSTED has relegated Tower Hamlets' previous "good" rating under our administration on child protection and welfare

to “inadequate” – the worst possible rating due to the failure Biggs administration. The improvements had to be made and the minor improvements achieved by our officers since are welcome. However, the carefully spun press release on this issue, just before the election, promoting the administration is an insult to the intelligence of people of Tower Hamlets given that the current administration was solely responsible for the fiasco due to the failure of Labour’s political leadership in Children Services, something even singled out by OFSTED.

Mayor John Biggs can’t absolve himself of responsibility and failure of his leadership.

Labour’s Choices of the £75m Cuts to Vital Residents’ Services include:

- ❖ £7.5 million cut from Adults Services;
- ❖ £7.2 million from Children’s Services;
- ❖ £1m cut from for Community Safety Services;
- ❖ £4.3m cut from Youth Services;
- ❖ £1.4m cut in the Council Tax Support for the most vulnerable and struggling self- employed residents;
- ❖ Closure of Incontinence Laundry, affecting the most-needy to “save” a paltry £41k;
- ❖ Removal of free homecare;
- ❖ 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 – e.g. Christians (38%) and Muslims (29%);
- ❖ Removal of funding for Lollypop Ladies – putting children at risk;
- ❖ Cuts to Child, Adolescent and Mental Health Services – despite campaign promises to protect by Labour when in opposition;
- ❖ Removal of Burial Subsidy for poor residents;
- ❖ Defunding study trips to Gorsefield Study Centre for school children - affecting the most disadvantaged children who are not able to pay;

- ❖ Closure of 18 youth centres, abandoning our young people;
- ❖ Cutting teaching and university subsidies;
- ❖ Closure of Queen Mary nursery despite pre-election pledge of protection; and
- ❖ Under this administration, the borough has shot to the top of the table for the most rats and mice in London while reduced its recycling rates compared with 2014/15.

Failure to Protect!

Under Labour Mayor John Biggs, there is not just incompetence to provide the basic services, there's lack of leadership, there's abrogation of responsibility and there's failure to protect the most vulnerable in our society.

In April 2017, Metropolitan Police data and media reports showed a grim rise in crime in Tower Hamlets over the previous 12 months of the Biggs-led Labour administration:

- ❖ In December 2015, John Biggs slashed the number of council-funded police officers from 40 (under the previous administration) to just 6 under John Biggs – a cut of 34. Mayor John Biggs again refused to fund them in February 2016 budget despite warning and requests by Cllr Ohid Ahmed and residents. Under pressure, John Biggs eventually brought it back to 39, but only 20 FTE police officers are operational now, 14 of which dedicated only to THH estates - and only now - with elections approaching, has the Mayor suddenly found the magic money tree to fund our original policy of partnership policing.
- ❖ Tower Hamlets is now second highest borough for acid attacks and homicides.
- ❖ There were 6 murders in 2016/17 in the borough, compared with four in 2015/16.
- ❖ Sexual offences increased 17% on the year before, including 268 rapes.
- ❖ Gun crime increased by 16%, knife crime increased by 8%.

- ❖ There was a sharp rise in hate crime over the previous year: Homophobic incidents grew by 39% and Islamophobic hate crime soared 59% while other racist and religious hate crimes increased by 43%.
- ❖ Labour Mayor of London has shut down police counter, removed some officers and slashed dedicated policing command for Tower Hamlets. It is not just the Government who are making cuts. Where is the outrage at the lack of leadership and hypocrisy of Tower Hamlets and in London Labour Mayors?
- ❖ In 2015/16 when he had two jobs: GLA and Mayor of Tower Hamlet, John Biggs blamed London Mayor for policing cuts – not the Government – yet he fails to do now – why the double standards?

Put A Roof Over Residents, Not A Cap on Spending

A lack of affordable housing joins crime and anti-social behaviour as primary concerns for our residents, as highlighted by the Annual Residents Survey 2017 and Community Safety Partnership Plan 2017-21 consultation. Mayor John Biggs has failed on both these accounts.

- ❖ Under the previous administration of Mayor Rahman from 2010-2015 Tower Hamlets built 5,590 affordable homes, the highest number in the country, and its achievement attracted the highest financial reward for the Council from Whitehall.
- ❖ In contrast, Biggs failed to meet his council-homes building target of 1,000 and is now desperately counting all the homes approved by the previous administration to falsely steal credit of their efforts. In fact, John Biggs has yet to deliver a single regeneration project that his predecessor had not initiated. The Council's own figures confirm Tower Hamlets delivered 1,070 affordable homes in 2016/17 and another 1,073 in 2015/16 – all of them approved by the previous administration.
- ❖ A previous Tower Hamlets Labour administration sold its housing stock to RSLs and now astonishingly, some of those properties are being bought back by John Biggs, using £60 millions of taxpayers' money without proper

scrutiny (despite some of these homes being not fit for purpose) to make up for his lack of action and leadership so he can claim these homes towards his target.

- ❖ While the majority of Biggs' budget cuts affect women, children, young people, BAME and faith communities but they also affect union workers and staff due to decisions taken by the Biggs Administration, According to the Council's own figures, since June 2015 and including this budget redundancies, about 2,000 staff, half of them BAME, have or would have left their posts or been made redundant.
- ❖ Labour affiliated unions are so upset about the Biggs-led administration's conduct of this situation that they are publicly petitioning John Biggs particularly about the administration's decision particularly in regard to removal of BAME staff and its restructures in SPP, Grants and Third Sector which will essentially mean that all those staff are at risk.

Transparency and Accountability

Despite grand claims, we have seen that transparency, accountability and democracy have their limits under this administration with a local Labour-supporting businessman who publicly hosted a campaign meeting at his business and campaigned for Mayor John Biggs in 2015 mayoral election and for Labour in general with *The Sunday Times* alleging he asked for a £2m bribe for the permission of multi-million property development, bringing as evidence a secret recording of the conversation. The National Crime Agency is now investigating the serious criminal allegation. For five months, after the developer told Mayor John Biggs about the £2m bribery demand, Tower Hamlets Council failed to report the approach to the police as council policy and ethics demanded. This is all while Mayor John Biggs is the Executive Mayor of the Council. The Council's whistle blowing policy says: *"if there is evidence of criminal activity then the investigation officer will be obliged to inform the police."*

Mayor Biggs himself is accused of taking dictatorial decisions on massive projects behind closed doors in secret - £119m of public money with £60m to buy back

properties his group previously sold, not to mention the huge controversy over about £1m funding gifted to Rich Mix controlled by his party colleagues.

The Biggs Budget betrays the people of Tower Hamlets. It reneges on pledges made before the Mayor was elected. This is the time for a bold investment in Police, Community Safety, the Environment, Youth Services, Housing and Jobs, a time to ensure that our investment in the Environment provides a waste collection, recycling and Bins Service that residents appreciate and eliminates vermin in a decisive way.

Instead of sacrificing at the altar of austerity as John Biggs is doing, our Alternative Budget offers investment in our shared Community, protecting our Elderly, nurturing our Young People, investing in Jobs and our Environment. Austerity has failed. We need to invest in the future. We need to “Aspire to be the Best.”

The Alternative – “Aspire to be the Best” Budget

A positive way forward is to invest in our town centres, in our communities, in our people. Our alternative budget, like our Whitechapel Vision and Master Plan, is innovative and forward thinking, yet simple. More importantly it works and is fully-costed. It will:

- ❖ Create new jobs
- ❖ Fight crime hard
- ❖ Develop a thriving third sector
- ❖ Invest in quality leisure and green spaces
- ❖ Develop a new state of the art digital innovation quarter
- ❖ Invest in Young People
- ❖ Stop the rise in Child Poverty and invest to reduce it
- ❖ Develop a diverse, talented and representative workforce

Detailed costings and funding proposals are attached and should be read in conjunction with this budget amendment motion from the Independent Group.

Independent Group Budget Amendments Part Two - Figures

SAVINGS

Description	Impact	Policy Decisions & Comments by the Independent Group
Reduce spend on corporate supplies , services, hospitality and catering	1,200,000	Fair and effective distribution of cuts and resources. This is based on the analysis of 2016/17/18 figures and the current allocation. Total current allocation is about £4m.
Freeze on vacant posts above £50,000 - excluding frontline & statutory , e.g. teachers, social workers, children services, and those in sensitive/critical and statutory posts. No current staff affected	2,000,000	Does not affect anyone currently in the post, or for which an interview has taken place - excludes 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 further increase in Mayor John Biggs' Office budget which has shot up to over £615,000 now from £569,000 in December 2015	150,000	Fair distribution of funds and cuts. Mayor's personal office budget has actually increased further by £36,000 since 2016/17 and up £46,000 since December 2015. Personal example instead of criticism of others.
Remove Mayor John Biggs' personal publicity budget	25,000	No need for more money for Mayor and less for residents for his vanity projects. Carry out any engagement duties within the existing budget and spend which has gone up anyway.
Stop increases in communication and media , e.g. £250k hike in 'secret campaigns fund' for the election year, other vanity projects for Mayor, plus £127k spin doctor - unnecessary increases and spend just before the election year for personal publicity - waste of taxpayers' money when the Mayor John Biggs is cutting front-line services and lecturing others about accountability and transparency	627,000	£250k for campaigns funds leading into the election year and just before the election in May 2018! Mayor's pictures on billboards and dustcart - vanity projects. Hypocrisy - Mayor is cutting vital services and staff are squeezed. 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 11.78% (extra £12,000 in his pay packet), 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 John Biggs has given himself 12% personal salary increase - an extra £12,000 in his pay packet over the term. Whatever spin Mayor John Biggs chooses to put on this, the official 12% increase needs to be reversed, and paid back. Hypocritically, John Biggs' Labour group proposed, voted for and passed a motion to reduce this salary when in the opposition, but when in power, John Biggs has now increased it - agreed by the same group of Cllrs.
Remove the Mayor's 3 personal advisers who are being paid two salaries by the Council	21,000	Mayor John Biggs do not need to pay two salaries to his party councillors to keep them on side. 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	10,000,000	We do not think spending nearly £6m on just budget consultants to achieve savings is the best value for money. Neither the current spend where the Council has been recruiting highly paid consultants/agency at £650 a day is sustainable or fair. This saving will be clearly focussed on general fund.
Scrap THH and bring it in house . Bring housing providers in-house which are selling the family silver and have failed to provide good service to residents. Bring ALMO back in house	5,000,000	We are paying £31-£32m of residents money just in 'Management Fee' alone to THH. In fact the total money paid to THH has gone up, after quiet and clever reprofiling of headings in last 2 years despite claims to the contrary. 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	2,000,000	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 all of which is lacking in the current budget proposals by John Biggs.
Increase in planning advice and charges for big multi-million pound developers - not ordinary residents and community groups	£450,000	Fair increase in fees and charges.

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 or social value for money. Other parts of the borough neglected and treated like poor cousins.
Reduce spend on external recruitment consultants , e.g. Penna and Greenpark etc.	£100,000	In-house means through HR, advertisement or professional career and specialist websites unless where it is clearly demonstrated to be extremely hard.
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 and waste of public money without understanding the context of the budget cuts on residents. At most, use £15m for any essentials projects if really needed. Only £4m is actually need to be spend per year for this at present, so £12m over the next 3 years should be more than enough. Majority of the money going to consultants and agency. 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 to where residents are put first and the service delivery is citizen-focussed. Along with other proposals in our budget, it will ensure a overarching policy direction that ensures that we meet all our commitments prudently while putting residents first.
Reduce ICT budget of £25m on a contract (already a one off reserve allocation in the current budget). The current ICT contract is over £10m already, and the current spend by John Biggs 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/urgent areas for any ICT upgrade. No proper details nor any type of plan given to justify this huge 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 the council is citizen-focussed. Along with other proposals in our budget, it will ensure a overarching policy direction that can ensure that we meet all our commitments proudly and prudently.
Reduce 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. 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. This could be increased to £100k.
Reduce separate film office budget. Increase potential income by having more income generation/optimisation - 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 with parking who arrange suspension of bays etc. This was and is the case in other boroughs.
Reduce contingency	1,500,000	£3.1m is too high a contingency, any unforeseen situations can be easily overcome by high levels of reserve, growth, underspend and increase in business rates collection and unexpected funding increases like the last year.
New Homes Bonus	10,000,000	New income in addition to £12.5m NHB last year in the MTFs. The council has received over £100m 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. 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 for a fairer grant settlement/resources.
Community Infrastructure Levy (CIL) and S106 reconfiguration and use	12,000,000	Expected CIL was £51m for three years last year. S106 in 15/16 alone was £19m and there's £33.7m unallocated NHB between 2017 and 2020 - all of which has been haphazardly distributed without any masterplan. We understand that this is one off contribution. We believe that this amount could have been higher but this is a prudent figure.
In-built contract inflation is up to 6% in some contracts above £1m - not the best value for money - a technical adjustment. Also, including Renewal Negotiation Savings	800,000	Technical adjustment as well as renegotiation and renewal savings.
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 is £50k alone. Environment friendly, easy to manage for staff and efficient.

Streamlining of Democratic Services, Members Services and Council Complaints Teams for better performance, service delivery and efficiency	1,000,000	There's some duplication and waste. Efficient, streamlined service providing better and quicker response to Members, residents, constituents and officers. Similar plans were already proposed and considered by the council under this administration in 2016/17.
Utilisation of Landlords Licensing Income	500,000	So far the council has raised over £2m with more expected. This is ring-fenced but should be allocated for more innovative and effective use in the service for to help tenants and landlords with various aspects, with corresponding cut in the same service area reduced.
Adjustment based on anticipated out-turn figure	1,500,000	There's a underspent. Based on the evidence in previous years, the contribution to budget, reserve or savings can be anything between £500k to £3m instead of being taken back and adjusted. This year, there is a underspend of at least £1.5m.
Non budgeted and unallocated income from S106, CIL and RTB receipts. Also, the unexpected new funding and income. True and prudent finance snapshot in conjunction with reprofiling of current spend on council housing, community safety and other priority projects for the benefit of residents	10,000,000	Examples of extra money and income actually received, anticipated or formally advised since the last budget are: IBCF £7,017,000, Adult Social Care = £900,000, Business Rates = £8m, Growth income in fees and charges = £419k, Growth income in council tax base = £7.9m inclusive of growth in tax base and 2% ASC precept as well as other smaller increases, not to mention HRA, capital receipts and other factors. In addition, critically, other monies available to the council are : CIL = £74m, S106 = £101m, RTB = £44m - from which uncommitted and available to spend are: CIL = £38m, S106 = 9m but a lot more in reality, RTB = £26m. In addition there will be further new developments and growth funding like new Land and Housing Bonus preliminary announced by the Government which are not counted here.
New Investment and Return Strategy - Adjust the current figures in the budget to reflect more realistic, prudent, achievable yet a challenging target for better return on public investment	5,000,000	The council has appointed a new portfolio manager and have embarked upon more innovative strategy as suggested by Independent Group in 2016 budget discussion and input. This budget proposal need more reflection, more accurate figures, more prudent yet challenging return value over three years between 2018-21.
TOTAL (SAVINGS)	84,271,000	
SPENDING		
Description	Impact	IG Comments/Policy decisions by the Independent Group
Stop Mayor John Biggs' decision to increase the Council Tax by another 2% . There has been 9% Council Tax increase since 2016 under this Mayor while he has awarded himself and his cabinet pay increases.	1,800,000	Protecting our residents in hard times. For The Many! ASC is still paid as Council Tax increase in their bill by residents so it is not fair or true to claim that there is no Council Tax increase. Council has also received almost £1m for adult social care which was not expected previously.
Stop Mayor John Biggs' decision to cut 18 council-run youth centres. Reverse youth centre cuts, protect and invest in our youth staff + strengthen current monitoring and management	1,800,000	TUPE has not saved staff as Independent Group highlighted in 2016/17. This decision has made the situation worse reducing council-run youth centres from 26 to only 8. This was always a gimmick based on unsubstantiated political rhetoric by Mayor John Biggs. After the comments by the Mayor/Cabinet member in the council meetings that this was only an 'interim measure', they went ahead and shut down the youth centres. We have no confidence in the rationale provided.
Stop Mayor John Biggs's gimmick of deferred cuts to nurseries, children centres and children services + stop privatisation proposals that were part of the 2017/18 budget but now being kicked into the long grass due to election only to be implemented after May 2018	2,400,000	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 or result in future closures of our nurseries.
Re-open a new nursery in Tower Hamlets	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 and self-employed - actually providing 100% support, by reversing the cut of £1.4m imposed by Mayor John Biggs	1,400,000	Only available from 2018/19 as the Mayor and his group has already decided to make this cut of £1.4m for 2017/18. Will consult as required before implementation.
Reverse, invest, retain the Community Safety Coordinator + Invest in the CCTV upgrade in Housing Estates and crime hotspots - stopped by Mayor John Biggs	700,000	Protecting residents, providing leadership.

Invest to Save Team - set up an immediate team to work closely with neighbouring boroughs to work together - explore selling the services and expertise in appropriate areas that does not affect services for the residents, front-line services or staff. Invest to save, In-source where possible.	250,000	Making prudent savings that does not affect our front line services or staff.
Increase Partnership Police Officers to 50. Invest in dedicated community policing by working with the Borough Commander and jointly purchase 'new and additional' full dedicated partnership police officers - helping and working with the community safety team	1,800,000	Making Tower Hamlets safer. Use any available match funding and 1-4-1 schemes. Invest to reduce crime. Invest to protect residents. Invest to make Tower Hamlets a better and safer place to live and work for all.
Tower Hamlets Community Fund	1,000,000	Support for community, third sector and voluntary organisations.
Hate Crimes Team - Invest resources in hate crimes that are on increase - monitoring and prosecution of culprits	150,000	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	1,000,000	Tackling increase drug related crimes and emergencies/health issues head on.
Income generation – Invest to save team	250,000	Bring an inward investment, income optimisation and growth. Working closely with other teams, local stakeholders and neighbouring councils.
Save Our High Street & Markets Fund - Help small businesses, entrepreneurs, markets, local high street shops that face closures due to astronomical increases to business rates/re-evaluation increasing their costs, forcing them to shut down	2,000,000	Support, fund, lobby and create a sustainable long term support network.
Out of Hours Burial & Coroner Services + reinstate burial subsidy cut in 2016/17	500,000	Supporting residents in meeting out of hours burial needs and obligations.
Young People's Fund	2,000,000	Supporting our young people find jobs, gain life and career skills and opportunities, find placements, support them in making decisions and provide educational and other development opportunities.
Education Bursary (EMA & University Subsidy)	400,000	A new hybrid model supporting education, excellence, aspiration, hard work and ambition.
Fight Child & Pensioner Poverty Together	2,000,000	Allocating specific resources to fight child and pensioners' poverty in a borough where nearly half of the children still live in poverty and elderly suffer silently in old age due to cuts and lack of support.
Fight Poverty Together	4,000,000	Support for residents who are struggling/hit by austerity or Biggs budget cuts.
Tower Hamlets Brexit Fund - Mitigate Brexit Impact - Promote and protect Tower Hamlets - Attract and retain new start-ups and businesses to the borough, using our strategic location as City-fringe and proximity to Canary Wharf	1,000,000	Help sustain, retain and attract businesses which will in turn help business rates, create jobs and bring prosperity for residents. Protect and project Tower Hamlets as the place for businesses and entrepreneurs working closely with various stakeholders.
Create an additional 1,000 car parking spaces across the borough	620,000	Supporting residents with investment in local infrastructure. Part of it be funded from s106 and CIL.
Plant 1,000 trees across the borough	700,000	Total cost is £900,000 with 3 year care plan. To construct the tree pit, supply plant and maintain the tree for 3 years is approx. £900.00 per tree. We will get at least £200,000 in responsible corporate funding and our adopt a tree scheme.
PGCE Bursaries for teachers with a focus on Special Needs, BAME, white working class and other underrepresented participation as per PSE Duty and One Tower Hamlets	400,000	The Council had an undergraduate and PGCE bursaries scheme costing approximately £300k. Savings were agreed in 2015/16, to be taken from 2016/17 onwards. PGCE and undergraduate bursaries are no longer being offered and Savings of £230k were agreed/delivered. The remainder of the base budget was used to fund GCSE programmes for teaching assistants and tuition fees for a Foundation Degree course. In addition, it funded the salary of a deaf teacher and specialist deaf projects. To reintroduce the scheme - it would cost in the region of £200-250k. We will retain that plus provide additional support.
Invest in additional council youth centres to ensure there is a youth centre in every ward - starting with 3 new youth centres in Canary Wharf, Stepney and other wards - closed down by Mayor John Biggs	1,500,000	Supporting our young people. Providing positive engagement and recreational facilities for our young people, helping them stay away from drugs and gangs. Part of the funding will come from Capital and other sources already available.

Tower Hamlets Fairness Commission - Implication and genuine use of the Social Value Act in delivering and procuring services for residents, robust and proactive implementation of One Tower Hamlets policy and other legislative responsibilities. Invest to save	150,000	This area desperately need political and policy level priority which has been lacking under this administration. Despite pressure from us, current administration lacks leadership to avail the full potential. As a Local Authority we must invest in this area and give the Social Value Act and One Tower Hamlets the same status as the Best Value Act which is not happening at present. Not only will it delivery better and fairer financial returns but also strengthen our societal, ethical, moral and corporate responsibilities.
New Tower Hamlets Technology & Enterprise Quarter/Zone backed up with a new council strategy and action team	3,000,000	Dealing with both the threat and opportunities of automation, AI, coding and robotics working in partnership with key stakeholders and schemes. Develop a strategy and team that embrace the exciting opportunities but also the threat to protect by training, developing and equip staff and residents - particularly women, young people, elderly, those at risk or have potential, skills or need support.
Additional Support for Children Attainment who have been lagging behind in schools (e.g. White working class, Somali, others)	300,000	Supporting our children in building a good foundation.
Reinstate and improve "free homecare" stopped by Mayor John Biggs	1,500,000	Reinstate the free homecare as was the case under the previous administration. Similar scheme is in operation by Hammersmith and Fulham Council. Free Homecare has now been abolished by John Biggs.
Investment in renewable/green schemes , solar powered bins and electric charging points	1,000,000	Protecting the environment, investing in green and renewable energy and reducing pollution.
More Outdoor Gyms in Tower Hamlets	750,000	More outdoor gyms will mean better public health with supporting measures to tackle obesity, improve health and mental health. This will also help those who can't afford gym membership. We started a similar initiative under our administration and some are currently underway.
TOTAL (REVENUE SPENDING)	35,070,000	
NET SAVINGS	49,201,000	
CAPITAL SPENDING		
Community Safety and Local Infrastructure Projects and support	10,000,000	Allocation of uncommitted/re-profiling of the Council's Capital, HRA and other funds to be spend on community safety and infrastructure priorities identified by the residents, council research and analysis. Support for other items identified.
New Tower Hamlets Technology & Enterprise Quarter/Zone - capital element	5,000,000	Dealing with both the threat and opportunities of automation, AI, coding and robotics working in partnership with key stakeholders and schemes. Develop a strategy and team that embrace the exciting opportunities but also the threat to protect by training, developing and equip staff and residents - particularly women, young people, elderly, those at risk or have potential, skills or need support.
Council Homes and Affordable Housing	30,000,000	Using appropriate and permitted capital, HRA, S106,CIL and RTB funds. Working on our Master Plan approach integrating many strands of our policy level decision-making for Tower Hamlets and taking into account WOC and other initiatives - build, accelerate, develop and update council housing with infrastructure as well as genuinely affordable housing in our Master Plan Phase 1 using any existing council assets and more. Also a big push to bring empty properties back in use.
TOTAL (CAPITAL SPEND)	45,000,000	
NET REVENUE BUDGET- contribution to Reserves, mitigate risks or help residents.	4,201,000	This amount can be returned to Council Reserves, used to mitigate any risks or to help our residents.

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OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE INDEPENDENT GROUP

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 presented as a 3 year budget, which is broadly balanced and covers both revenue and capital items. The proposals include a reallocation of current earmarked reserves such as the transformation reserve, ICT reserve, and resources from s106, Community Infrastructure Levy and New Homes Bonus.

The proposed use of reserves and other one off resources to fund the capital or non-recurring items in the budget proposal is considered to be an appropriate use of resources.

Comments of the Monitoring Officer

The process for submitting and considering amendments to the Administration's Budget Motion are set out in the Council's Constitution (Council Procedure Rules). I can confirm that the process that has been followed for the submitted amendments meets those requirements.

Pursuant to Section 32 of the Local Government Finance Act 1992 the Council is required to set a balanced budget. The indicative figures set out in these proposed amendments appear to meet that requirement however, if approved any of the amendments be are adopted by Council, officers will need to undertake further work to determine whether the proposals can be achieved at the savings/expenditure levels set out.

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People’s Alliance of Tower Hamlets Group Budget Motion Amendment

Proposer; Cllr Rabina Khan

Seconder: Cllr Abdul Asad

The Council Notes:

1. The Council Core Spending Power to increase by £1.1m by 2020 (0.4%) in cash terms.
2. The Gross expenditure budget for 2018/19 is £1,285,757,063. Net Budget - £343.730m.
3. Initial rise of around £3.3m expected in 2018-19 before further rise again in the final year.
4. Future plans to make savings are as follows:
 - £14.1m savings in 2018-19
 - £13.2m savings in 2019-20
 - £9.0m savings in 2020-21
 - £36.3m savings in total
5. That under Mayor John Biggs’ Mayoralty, the council faced a devastating safeguarding scandal and that in the April 2017 OFSTED report, the council’s services were deemed “inadequate” after finding that leaders, including the chief executive, directors of children’s services and elected members, were “unaware” that children were being left in harmful situations. Action was only taken after the issues were flagged up by inspectors, Ofsted’s report said. A culture of “drift and delay” left children waiting to receive the help they needed, meaning family relationships declined and, in some cases, put young people at risk of being drawn into gang activity; a significant issue in the borough, inspectors found. The OFSTED report was issued on 7th April 2017 and had the following results:

6.

1. Children who need help and protection	Inadequate
2. Children looked after and achieving permanence	Requires improvement
2.1 Adoption performance	Requires improvement
2.2 Experiences and progress of care leavers	Requires improvement
3. Leadership, management and governance	Inadequate

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 2017, 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 2017/18								
	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	Estimate 2017/18
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General Fund	(23,380)	(26,924)	(38,067)	(64,989)	(71,457)	(72,103)	(31,740)	(32,288)
Earmarked Reserve	(85,984)	(97,932)	(103,282)	(107,082)	(120,664)	(122,031)	(134,618)	(111,681)
School Balance	(23,370)	(25,783)	(31,871)	(34,724)	(35,988)	(31,810)	(24,714)	(24,714)
HRA	(12,786)	(14,578)	(16,233)	(18,149)	(21,144)	(32,092)	(39,079)	(51,431)
	(145,520)	(165,217)	(189,452)	(224,944)	(249,252)	(258,037)	(230,151)	(220,114)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital Receipts Reserve	(24,424)	(27,608)	(20,642)	(20,946)	(49,135)	(86,381)	(156,848)	(151,848)
Capital Grants Unapplied	(19,751)	(50,156)	(55,701)	(54,537)	(55,485)	(56,195)	(82,030)	(77,030)
Major Repairs Reserve	6,346	(7,985)	(12,364)	(16,395)	(22,173)	(9,175)	(9,459)	(9,459)
	(183,349)	(250,966)	(278,159)	(316,822)	(376,044)	(409,789)	(478,488)	(458,451)

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. With the further 4.99% for 2017-2018, it will have even more of a detrimental effect on working households. 2% increase is proposed for 2018-19
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
5. That the Local Council Tax Reduction Scheme changes vastly impacts on **self-employed working people and families** and furthermore **people with disabilities** and **vulnerabilities** are now been charged £8 per week. PATH proposes that Council Tax is frozen for 3 years and that the Local Council Tax Reduction Scheme is reviewed to support **self-employed working people and families** and **people with disabilities and vulnerabilities**.

6. Under Mayor John Biggs' failed ambition for the borough, he spent almost £7 million pounds on redundancies and dismissals between June 2015 and the end of October 2017.

The following table under FOI provides the breakdown:

FOI: 9550968 Redundancy Severance

Please disclose the total sums spent by the authority on (i) redundancy payments and (ii) severance payments (including compromise agreements and any departures in respect of which settlements were signed that did not concern redundancy) since 12 June 2015, and provide breakdown of each figure by (a) grade and (b) number of individuals in receipt of payment, as in table below:

	Redundancy		Severance	
	Sum (£)	No. of individuals	Sum (£)	Number of individuals
CMT or equivalent	220,914	3	292,467	3
DMT managers or equivalent	344,211	8	586,221	8
Managers that are not on DMT or equivalent	1,492,406	65	1,467,684	65
Staff without managerial responsibilities	1,166,255	115	1,333,088	115
TOTAL	3,223,785	191	3,679,459	191

7. More women have left Tower Hamlets Council than ever before, in particular from black and minority backgrounds. The following FOI shows the breakdown:

FOI: 9551965 Staff who have left/joined council by ethnicity

By ethnicity of all staff having left or joined the authority since 12 June 2015, as in the following table:

White	Asian* See note below	Black	Other	Missing/Declined to State	Joining/Leaving
193	186	123	39	72	Women joining
387	212	171	41	105	Women leaving
118	153	37	16	30	Men joining
235	211	71	17	68	Men leaving

*Note: The council does use the ethnicity category 'South Asian'.

Tower Hamlets Council's joint Trade Unions are increasingly concerned about a new trend toward mass redundancies for Council Staff and launched the following petition: https://www.change.org/p/tower-hamlets-council-stop-the-mass-axing-of-tower-hamlets-council-staff-defend-jobs-equality?recruiter=46003048&utm_source=share_petition&utm_medium=share_petition

The petition states the following; "It is of particular concern that Trade Unions have noticed that BME and female staff appear to be disproportionately affected; potentially reversing gains on equalities that took many years to achieve."

According to the most recent figures from the Office for National Statistics, Tower Hamlets is also one of the top ten areas with the highest gender pay gap.

In light of the above information, it is crucial for the Council to carry out an immediate audit on Gender Pay Gap within its workforce.

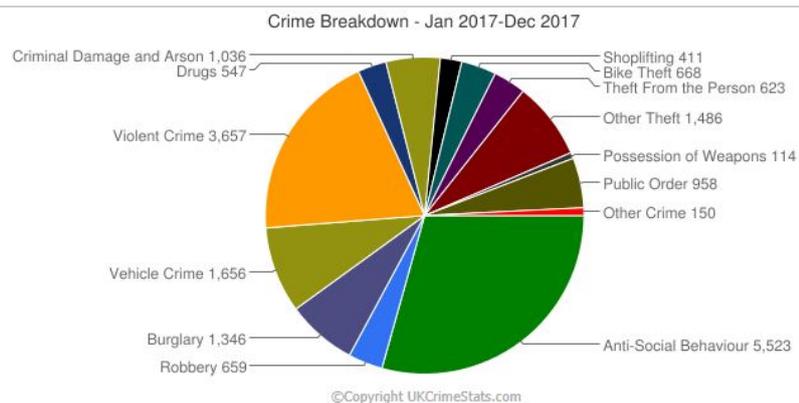
8. Approximately 9% of the council staff are consultants and agency staff. Under Mayor Biggs, the use of consultants and agency staff has doubled from 4.5% to 9%.

The Council Further Notes That:

1. The Mayor's 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 residents' household costs and proposing a Brexit Taskforce.

3. The council has a failed Ofsted report because we didn't know whether our children were being "abandoned" or "trafficked", yet Mayor Biggs awarded himself an 11% pay rise.
4. Budget for youth centre provision was £5.8m in 2016/17. Savings of £1.8m were agreed to be delivered in 2017/18. In 2010, there were 37 council funded youth centres (part time and full time). There are currently 8 council run youth centres in operation.
5. We have seen a reduction of community safety services and a rise in knife crime, acid attacks and gang culture. There were approximately 80 fatal stabbings in London in 2017, four of them on New Year's Eve. According to the Metropolitan police, knife crime has increased in Tower Hamlets by 8% in the past year. UK Crime Stats published the following ASB breakdown for Tower Hamlets, between January 2018 and December 2017:

Crime Plus ASB Breakdown for Tower Hamlets Borough Council



The Borough Commander will assume control of both Tower Hamlets and Hackney from March 19, covering half-a-million population from the Isle of Dogs and Whitechapel as far north as Stamford Hill and Finsbury Park. The new Central East Basic Command Unit is to cover districts as diverse as Bethnal Green, Dalston, Stepney, Stoke Newington, Poplar, Shoreditch, Clapton and Spitalfields.

Mayor John Biggs' budget fails to take into account the impact of this, other than the fact that the council-funded police officers he deleted are now been negotiated back into Tower Hamlets.

Mayor John Biggs' budget has also introduced 10 ASB Officers after his deletion of THEOs. THEOs wore body cams and worked closely with the police. The ASB officers' roles are unclear; will they, for example, have body cams to collect evidence?

PATH proposes that the budget must seek secure a dedicated Partnership Superintendent for Tower Hamlets Borough, along with the police funded police officers and the new appointed ASB officers, in order to build a structure between these two teams to tackle the increase of crime, drugs, knife crime and acid attacks Tower Hamlets. The Partnership Superintendent will work to enhance the partnership and working relationships with the MPS for the benefit of the community.

6. The GLA 2015 Round Projections for the borough states that there are 40,400 children aged 0 to 9 years of age, which will rise to 45,000 in 2021. It also projects there are 30,300 children aged 10 to 19 years of age, which will rise to 35,100 in 2021.
7. Tower Hamlets Children's Services received Good with Outstanding features in the last two OFSTED inspections current administration failed in April 2017, so it is essential to protect and invest in services for children and young people.
8. Free School Meals were initially funded entirely from the Public Health Grant received by the Authority. In 2017/18 MTFP, £1m was agreed from the PH Grant and £2m from General Reserves. The current MTFP to 2020/21 assumes the same funding sources. Total cost – £3.3m in 2016/17; similar amounts have been indicated for 2017/18. Any additional requirement will be funded from general fund reserves. **Whilst the Mayor has confirmed Free School will be funded for the next 3 years, this is still from reserves, whereas it should be made permanent in the general fund.**
9. EMA is still funded to 2018/19 – £370k was made available in each year from 2016/17 **but Mayor John Biggs does not confirm its continuous funding into the following years.**
10. In, 2016/17, there was a budget provision of £600k for Support for Higher Education (formerly Higher Education Bursary). **Mayor John Biggs deleted this funding for young people struggling to enter university and higher education.**
11. In 2012, Tower Hamlets bucked the national trend for falling grades by achieving an increase in top grades. In 2013, Tower Hamlets posted record GCSE results and was fast building a reputation for educational excellence. In 2014, the upward trend continued when Tower Hamlets beat the national average. For children from families struggling to cope financially, the removal of Support for Higher Education will make it difficult for them to enter university and higher education, preventing them from achieving their full potential and keeping them in the poverty trap.

12. 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 Adult Services
 - £7.2 million cut to Children's Services
 - £1 million 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
- Revised Figures for 2018/19:
- £2.0m cut to Health, Adults & Community
 - £2.3m cut to Children's Services

13. Mayor John Biggs continues his legacy of failing the most vulnerable, in particular children and young people. Cuts and charges 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 for 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

New figures released by the End Child Poverty coalition show that more than half of children in Tower Hamlets are living in poverty. The Council's Child Poverty Needs Assessment document acknowledges that "Children who live in poverty experience disadvantage in many aspects of their life and are more likely to suffer poor health, die younger, reach a lower level of educational attainment, be the victims or perpetrators of crime and end up out of work or in lower level jobs." Furthermore, it states that "adults they are more likely to suffer ill health, unemployment and poor housing. Living in a poor family can reduce children's expectations for their own lives and lead to a cycle of intergenerational poverty."

PATH proposes that targeted youth work through fully functioning youth centres needs to be crucial to engage with children and young people through a new programme of the theme "Changing Prospects, Changes Lives"

To reintroduce positive activities for young people and fund PAYP activities to combat; where there is always a spike in antisocial behaviour during school holidays which stem from a severe lack of provisions.

Such provisions target those who are at risk of being involved in antisocial behaviour and crime into positive activities and volunteering, boosting their prospects; ultimately into further education and or employment.

Positive activities need to be funded and administered through grassroots organisations, who have a relationship with those in need of such services.

Young people might not be aware or willing to engage with statutory services or not have a positive relationship with the police can be signposted via relevant community and youth workers.

Through this investment, the borough will save money from reduced police call outs, housing associations save money from reduced expenditure on repairs and the wider community benefit from having more people contributing to the positivity and strength that makes us very proud to be part of Tower Hamlets.

14. Tower Hamlets Council agreed to spend £119 million on affordable homes, but none of it will create any new homes according to the executive decision made.

The money will buy existing homes and purchase new build properties that already have planning permission, which were due to be purchased by housing associations. The approval process for this money was also highly unusual and involved minimal scrutiny of such an important decision. This is a poor use of money, the majority of which should be spent delivering new schemes so that we have a greater supply of affordable housing, perhaps though the use of Community Land Trusts.

The approval process for this spend was also highly irregular, as at 7.31pm on Friday 10th November, Mayor John Biggs issued an executive decision to spend:

- £19 million to acquire a portfolio of surplus dwellings from Poplar HARCA
- £40 million to acquire additional dwellings for use as temporary accommodation
- £60 million to acquire s106 properties in the borough

At full Council on the 22nd November at around 10.15pm less than two minutes was used to debate and vote on this measure as no time was given to discuss this issue due to the administration bringing forward a number of less urgent items on the agenda.

PATH proposes that the council develop Tower Hamlets Housing Cooperation, dedicated to utilising council assets and lands to build and develop council owned homes. The first programme of assets that can be developed to build and own council homes are as follows:

- Southern Grove
- Albert Jacob House
- Commercial Road Car Pound

- Jack Dash House

These council owned assets were due to be sold as part of the Civic Centre development, but are now not needed for its funding. The use of RTB receipts with additional borrowing can deliver up to up to 500 homes across the 4 sites. Through the building and developing on the 4 named sites New Homes Bonus will be generated for future years.

The delivery of Community Land Trusts can also be included to model both council owned homes and a model of affordable home ownership.

15. The Brexit Taskforce

The impact of a hard Brexit would mean that Tower Hamlets would be one of the hardest hit boroughs, losing some eight per cent of output worth £11 billion, because of its reliance on industries that are significant exporters, at risk of offshoring to the EU, or are deeply embedded in international supply chains.

Tower Hamlets' Brexit Taskforce would plan for a number of Brexit scenarios, with the following aims and objectives:

- Proactively campaign to ensure the EU funds expected by Tower Hamlets and local recipients of EU funds will be honoured until the end of 2020, in order to improve our local economy, development, infrastructure, employment and training.
- Instruct the Senior Management Team to provide a dedicated help and information line to residents and businesses, with comprehensive and up-to-date information on the progress of Brexit and its effects on the Borough and address productivity and competitiveness challenges among local firms, enabling them to compete internationally.
- Create new policies and programmes for education and skills to equip the local workforce for current and future jobs.
- Work with local businesses to understand the changing market dynamics and focus on growing local SMEs.
- Work to make Tower Hamlets a more attractive location for major employers as we are now competing with other European cities

Business Rates and Other Income:

Description	Impact	Detail			
Income Generated from Business Rates	£136 million	The Council is 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 source of income. Detailed consultation must now take place with Tower Hamlets' residents as to how additional business rates' income should be spent in the borough for the future in allocation of budgets for services.			
			2017/18	2018/19	2019/20
		Retained Business Rates income	£m	£m	£m
		Revised January/Feb Cabinet 2017	131.3	135.2	139.6

<u>MTFP 2018-21</u>					
	2018/19	2019/20	2020/21	Total	Comments
	£m	£m	£m		
1. S106	12.932	22.158	14.861	49.951	
2. CIL	0.135	0.034	0.000	0.169	
3. RTB	16.843	18.710	21.820	57.373	1. The council currently has £126m RTB receipts (£97m is classed as 1-4-1 and £29m non 1-4-1). 2. £102m is currently allocated over period 2017-2025 (£57m over 2018-2021). 3. The balance of £24m is currently unallocated (£22m is non 1-4-1).
4. Capital Receipts	25.252	43.331	36.449	105.032	
5. NHB	3.923	3.182	3.182	10.287	Amount being used for revenue purposes
6. Business	181.090	139.555	139.555	460.200	

Rates					
7. Council Tax	93.777	98.029	103.756	295.562	
8. Reserves	18.691	8.440	5.134	32.265	Total Council reserve balances can be found in Appendix 7 of the budget report. These figures (£32.265m) represent amount expected to be used for general fund revenue budget.
<u>Expected to Receive</u>	2018/19	2019/20	2020/21		
	£m	£m	£m	Total	
1. S106	7.440	7.819	7.819	23.078	
2. CIL				0.000	As at 31st December 2017, the Council held £37.49 million of CIL resources. Of these, £0.75 million has been allocated to schemes in accordance with the Council's Infrastructure Delivery Framework, with a further allocation of £1.49 million scheduled to be considered by the Mayor in Cabinet in February.
3.RTB				0.000	No forecasts for future years.
4. Capital receipts	15.277	0.277	0.277	15.831	
5. NHB	20.749	19.914	16.521	57.184	£10.287m to be used for revenue (see above) – Balance of £47m is expected to be earmarked for capital purposes and the provision of new homes.
6. Business Rates	181.090	139.555	139.555	460.200	
7. Council Tax	93.777	98.029	103.756	295.562	
8. Reserves				0.000	

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	£1.800m	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	£2.408m	Reverse the decision to cut £2.408 million from Children's Centre budgets in light of the damning Ofsted Report this is fundamental. Reverse the decision to privatise Council run nurseries.
Improving Employment Support for Adults with Disabilities	£0.319m	Reverse the decision to reduce the cut from £319k through developing a specialist apprenticeship programme through S106 funding.
Social Care Services for Older People	£1.000m	Reverse the decision to reduce the cut from £1m.
Tower Hamlets Careers Service	£0.537m	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 Mayor's 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)	£1.140m	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
LBTH Social Worker Training x 10	£0.447m	The cheapest option would be supporting people to study toward to BA honours in Social Work through the Open University. When you study full time it's a three-year programme.

		<p>One student employed as a personal advisor in the leaving care service</p> <ul style="list-style-type: none"> - Salary – SP 33 – £32,802 x 3 = £98,406 - Total cost of university fees – £17.184 (To be funded from the Apprenticeship Levy) - Length of study 3–6 years - 18 days study leave £ 1.617 per year x 3 = £4,851 - Back fill for 2 placements 170 days in total – £20,570 <p>Estimated Total for one person over the 3-year period is £141,011 – Annual Requirement – £44,705</p> <p>Funding streams:</p> <ul style="list-style-type: none"> - Training costs could be funded through the apprenticeship levy - Other costs, including salary, would need to be funded through general fund
PGCE Bursary	To reintroduce the scheme would cost in the region of £0.200m-£0.250m	<p>The Council has an undergraduate and PGCE bursary scheme costing approximately £300k. Savings were agreed in 2015/16, to be taken from 2016/17 onwards. PGCE and undergraduate bursaries are no longer being offered and savings of £230k were agreed/delivered.</p> <p>To reintroduce the scheme would cost in the region of £200-250k.</p>
Adult Social Care Charging	£1.140m	<p>Reverse the decision to charge vulnerable adults for adult social care, including homecare.</p> <p>Approximately £240k has been generated since October 2017 to date. The estimated income from the original business case was £540k per year for 2 years – a total of £1080k.</p> <p>Approximately 2,200 people have been assessed and approximately 1,400 are</p>

		being charged.
Dedicated Superintendent for Tower Hamlets Council	£0.100m per year	As the current Borough Commander now has responsibility for 2 boroughs, where there has been an increase of crime including knife crime, the borough needs a dedicated Partnership Superintendent.
Maximising Council's £2 billion Assets – Invest £20k towards Joint Working Strategy to increase the use of council asset to generate income Tower Hamlets Housing Corporation to build and develop council owned homes.	£0.020m	In 2016/17 the council 's asset register included the following: <ul style="list-style-type: none"> – 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	£0.050m	Investigate the Westminster model of introducing a card to residents to help access discounts for goods and services, which will help drive down residents' household costs. £50k can be allocated from Business Rates.
Income Generated from Business Rates	£0.040m	Activities in light of Brexit to encourage businesses in Tower Hamlets to grow the business rates tax base (Brexit task force).
Total	£10.590m	

2. Implement the following reductions in expenditure:

Description	Impact	Detail
Reduce expenditure on highly-paid consultants and/or highly paid agency staff	£5.000m	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. We urgently need to: <ul style="list-style-type: none"> – 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
Freeze all highly-paid senior and corporate level salary increases for the next two years	£0.200m	This is on the assumption that an additional 2 corporate posts are filled.
Increased Charges for Major Planning Applications	£0.750m	Tower Hamlets receives numerous major planning applications and should be charged at a higher cost.
Increase Charges for Advertising	£0.200m	Utilise Council Assets, including Idea Stores, Bill Boards and Council Intranet for advertising from private and public sector
Reserves Requirement	£4.440m	
Total	£10.590m	

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 2018/19 and over the MTFs period 2018/21.

The proposal includes utilising £4.4m of reserves within the budget to fund the reversal of savings proposals. The current forecast of £36.3m savings required by 2021 is predicated on annual recurrent savings being delivered rather than one-off adjustments through the use of reserves.

Comments of the Monitoring Officer

The process for submitting and considering amendments to the Administration's Budget Motion are set out in the Council's Constitution (Council Procedure Rules). I can confirm that the process that has been followed for the submitted amendments meets those requirements.

Pursuant to Section 32 of the Local Government Finance Act 1992 the Council is required to set a balanced budget. The indicative figures set out in these proposed amendments appear to meet that requirement however, if approved any of the amendments be adopted by Council, officers will need to undertake further work to determine whether the proposals can be achieved at the savings/expenditure levels set out.

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Conservative Group Budget Motion Amendments

Proposed: Cllr Andrew Wood

Seconded: Cllr Chris Chapman

This Council welcomes:

1. 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.
2. That the first of the £3.15 billion grant money provided by the government to the Mayor of London is now starting to deliver more new affordable homes in Tower Hamlets
3. That the UK economy & employment numbers have continued to grow
4. The huge amount of funds received from developers (S106 & Community Infrastructure Levy) & the government (New Homes Bonus) for delivering the most new homes in the country has led to the Council having £169 million of funds to spend on improving the Borough and delivering the new infrastructure required.

This Council supports:

1. A 2% council tax rise to fund adult social care.

This Council further believes:

1. That the temporary investment of reserves in funding extra police officers is not sustainable and that the £270k cut that the Council made in 2016 (which we proved did not need to be made then) should be reversed and £1.6 million be granted to the Police to spend as they see fit within Tower Hamlets
2. That there needs to be a much stronger focus on enhancing the job opportunities of our residents. But with 23% of our residents saying they have low or no proficiency in spoken English we have too many people who cannot compete effectively in London's job market. We need to be funding English language classes (ESOL). to improve resident's knowledge of English and improve their job prospects. That integration of the community is far better enhanced, and greater opportunities made open to residents, if they spoke English. This should be funded by eliminating spending on non-statutory translation.
3. Since we pointed out last year that the twenty-two full time staff working in the Communications team do not provide an output commensurate with their numbers communication has got worse not better. For example, this week, no communication to residents about the Big Half marathon on the 4th March which will close down many roads in the Borough.

4. That the 'One Tower Hamlets' agenda is a legacy of the previous controversial administration, which worked on any principle but 'One Tower Hamlets', and should accordingly be reduced.
5. We are disappointed that our proposal last year to work in co-operation with other Labour Authorities has effectively been ignored. There is only one proposal at some point in the future to share Internal Audit with another Borough. 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 but clearly the Council still believes it can do everything better than anybody else which from experience is not the case.
6. That large densely populated areas of Tower Hamlets do not have a publicly provided CCTV network, even in those areas previously attacked by terrorists or where acid attacks have taken place. Partially as a result wards like Limehouse (with no permanent CCTV cameras) have seen a spate of violent muggings. Extra CCTV control room staff would help monitor additional cameras funded through S106/CIL/NHB.
7. There has been an increase in littering (NOX canisters in particular) and graffiti across the Borough. This encourages more bad behaviour, more littering and more graffiti so we wish to invest more in teams that clean up this kind of ASB related rubbish to more clearly indicate that it is not welcome. Residents want a clean and safe Borough.
8. That in future New Homes Bonus receipts should be invested in uses that either generate more income, save costs or deliver infrastructure required to support development. Once spent it is gone and therefore should be spent in areas that provide a long-term benefit.

This Council amends the Mayor's budget as follows:

1. Implement the following reductions in expenditure:

Description	2018/19 Impact	Detail
Communication budget	£501,960	Reduction of staff and external spend in Comm's team
Mother tongue	£670,000	Remove budget for Mother Tongue
One Tower Hamlets	£327,000	Reduction in external payments budget 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

2. Implement the following increases in expenditure:

Description	2018/19 Impact	Detail
Police extra funding	£1,613,960	To be left to Borough Commander whether to invest in additional officers, stations or overtime allowing SNT's team to do more night work
ESOL classes	£100,000	Fund extra ESOL classes in order to promote cohesion in the borough and employability
Cleaning	£100,000	Extra resources to clean ASB related rubbish or graffiti
CCTV control staff	£100,000	Extra operators to staff control room

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OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE CONSERVATIVE GROUP

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 2018/19, 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 2018. As a result, full year savings will not be realised in 2018/19. 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

The process for submitting and considering amendments to the Administration's Budget Motion are set out in the Council's Constitution (Council Procedure Rules). I can confirm that the process that has been followed for the submitted amendments meets those requirements.

Pursuant to Section 32 of the Local Government Finance Act 1992 the Council is required to set a balanced budget. The indicative figures set out in these proposed amendments appear to meet that requirement however, if approved any of the amendments be are adopted by Council, officers will need to undertake further work to determine whether the proposals can be achieved at the savings/expenditure levels set out.

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Councillor Shafiqul Haque Budget Motion Amendments

Proposer: Cllr Shafiqul Haque

Seconder: TBC

Budget Motion. To add to Para 2.1 of the Main report:

"(m). To note that there will be a review of the Adult Social Care Charging scheme during 2018/19 to evaluate its impact, to ensure that all recipients of Social Care are properly assessed and to see what additional safeguards or allowances can be introduced to ensure that those who contribute do so at a level that minimises charges while ensuring that a reasonable contribution is made towards the ever increasing costs of adult social care. We note that the crisis of adult social care funding is a creation of the Government, as a direct result of the cuts they have made in local government spending.

(n). to note that the Burial Subsidy remains the same although restricted to Kemnal park.

(o). To note that the Council Tax, other than the 'Adult Social Care Precept' will be frozen for 2018/19, and that the Mayor has indicated his wish to continue with the lowest possible Council Tax compatible with meeting the needs of people in our community."

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OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY CLLR SHAFIQL HAQUE

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 2018/19, although any decisions arising from the adult social care charging review that require a change to the current budget assumptions will need to be reflected in the Council's budget and MTFS.

Comments of the Monitoring Officer

The process for submitting and considering amendments to the Administration's Budget Motion are set out in the Council's Constitution (Council Procedure Rules). I can confirm that the process that has been followed for the submitted amendments meets those requirements.

Pursuant to Section 32 of the Local Government Finance Act 1992 the Council is required to set a balanced budget. The indicative figures set out in these proposed amendments appear to meet that requirement however, if approved any of the amendments be are adopted by Council, officers will need to undertake further work to determine whether the proposals can be achieved at the savings/expenditure levels set out.

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