

Cabinet 18 th December 2019	 TOWER HAMLETS
Report of: Neville Murton (Corporate Director of Resources)	Classification: [Unrestricted]
Budget Consultation Outcome 2020-21	

Lead Member	Councillor Candida Ronald, Cabinet Member for Resources and the Voluntary Sector
Originating Officer(s)	Kevin Bartle, Divisional Director Finance, Procurement & Audit
Wards affected	All wards
Key Decision?	No
Forward Plan Notice Published	15/11/19
Reason for Key Decision	Non-Key
Strategic Plan Priority / Outcome	1. People are aspirational, independent and have equal access to opportunities; 2. A borough that our residents are proud of and love to live in; 3. A dynamic outcomes-based Council using digital innovation and partnership working to respond to the changing needs of our borough.

Reasons for Urgency

The report could not be published earlier due to the very recent end date of the consultation period and the need to collate the responses. The report however could not be delayed as Members needed to consider it before the draft budget report is published for the early January Cabinet meeting.

Executive Summary

Statutory budget consultation is required with business ratepayers, however a broader consultation with all residents and other relevant stakeholders is considered to represent best practice. The Council launched a six week Your Borough Your Future consultation campaign in October. This report outlines the outcomes from the budget consultation.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Note the analysis and outcomes from the Your Borough Your Future budget consultation in Appendix A and have due regard to the issues raised in finalising its detailed budget proposals.

1 REASONS FOR THE DECISIONS

- 1.1 Statutory budget consultation is required with business ratepayers, however a broader consultation with all residents and other relevant stakeholders is considered to represent best practice.

2 ALTERNATIVE OPTIONS

- 2.1 The Council could have only consulted businesses in line with statutory requirement.

3 DETAILS OF THE REPORT

Budget Consultation and Scrutiny process 2020-2023

- 3.1 The Council must undertake statutory budget consultation with Business Rate payers in the borough and it is also good practice to consult with Council Tax payers and a broad range of other stakeholders. In addition, meaningful consultation must take place with service users before any changes to service provision are implemented. Furthermore, the Council's budget framework sets out the need for the Overview and Scrutiny Committee to be fully involved in the setting of the Council's budget.
- 3.2 The Council launched the six week Your Borough Your Future budget consultation campaign on Friday 25 October 2019. Your Borough Your Future provides the Council with an overarching brand identity for public consultations around budget setting. In the first instance, and for the purposes of this report. Your Borough Your Future relates to the general consultation that was carried out between 25 October and 5 December 2019, which sought to provide residents and businesses with details of the financial challenges the council currently faces and requested feedback on priorities for Council services. It also asked how the Council should consider its approach in light of the budgetary pressures it faces.
- 3.3 A 'campaign narrative was agreed with the Mayor and Cabinet which identified and articulated the key drivers for the council's approach via Your Borough Your Future. The key messages in this narrative are:

- Significant real terms government core funding cuts since 2010 and growing pressure on key public services mean the Council has to find an additional £39m of savings by 2023.
- Tough choices will have to be made to maintain good quality services, and to continue to support our most vulnerable residents including children and older people.
- The Council has made significant savings (£190m since 2010) while continuing to find ways to deliver cost effective services and generate income from additional sources.
- Residents and businesses were encouraged to get involved by giving their views on what matters most to them, and suggesting ways in which Tower Hamlets can do things differently to help make savings.

3.4 The campaign aimed to engage as many residents and businesses as possible during a six week consultation period. A wide range of high visibility communication methods were employed, including press releases, dedicated budget website content and consultation on the council website, major social media channel promotion, on-street advertising, plasma advertising screens in public buildings (including Idea Stores), as well as direct mail of a dedicated budget consultation booklet to every household in the borough.

3.5 The campaign also ensured representative views were sought (i.e. there was opportunity for people from all parts of the borough and from different age groups and ethnicities to take part). The council employed a dual approach of self-selection (opting-in to the online consultation) and targeted outreach (via a telephone survey and face-to-face interviews) to ensure a representative set of responses.

3.6 The consultation on Your Borough Your Future started on Friday 25th October and closed on Thursday 5 December 2019. A total of 1,917 responses were received. Whilst most people identified with the demographic and geographic breakdown, not all demographic responses were fully completed and no assumptions have been made where these have been left blank.

3.7 Appendix A of the report provides a detailed analysis of the results received as part of this consultation, including information on the research methodology.

3.8 The key findings of the Your Borough Your Future 2019 consultation include:

- Overall, children's services and education & protecting and supporting vulnerable children were the most valued services in Tower Hamlets.
- Protecting and supporting vulnerable children is seen as the most important service the council should prioritise.
- Over half felt the council should reduce spending on temporary agency staff as well as generating more commercial income.
- The majority felt that efficiency, availability and quality will decline as a result of further savings.

- Around half said it was most important for the council to make services more efficient.
- 38% support a general council tax rise of up to 2 per cent, with 51% opposed, and 12% don't know.
- Just under half (47%) were in favour of a 2% increase in council tax to support adult social care services; slightly more than opposed it.
- Around two-thirds support the council expanding its approach to income generation.

3.9 A detailed report of the budget consultation has been included in Appendix A of this report.

Next Steps

3.10 A further report will be brought to Cabinet in January providing a detailed update of the financial planning assumptions underpinning the current MTFS.

3.11 In the January Cabinet report, Members will be presented with updated information relating to assumptions for Council Tax and Business Rates and any impact those changes have on the MTFS.

3.12 The report will also include considerations from the Council's budget consultation processes and seek to finalise draft savings and investment proposals, covering in full the medium term planning period to 2023.

3.13 The draft timetable for the budget setting process is as follows:

Activity	Date
Review of the existing MTFS in light of the settlement. Capital strategy & programme.	8 th and 29 th January 2020 Cabinet
Overview and Scrutiny	13 th January 2020 and 3 rd February 2020
Agree Final budget and setting of the Council Tax	By 27 th February 2020 Full Council

4 EQUALITIES IMPLICATIONS

4.1 Strategic budget implications in respect of the Council's available funding and budget risks will tend to apply equally across all groups with protected

characteristics or otherwise. This is because with few exceptions funding resources are un-hypothecated.

- 4.2 The Adult Social Care precept must be allocated to expenditure on ASC services, the HRA and DSG are ring-fenced funding allocations with prescriptions governing their use. In addition a number of grants received by the Council can only be used in accordance with specified conditions.
- 4.3 The Council must maintain a Local Council Tax Reduction Scheme which will prescribe those individuals that can gain relief from the full cost of their Council tax bill. Government legislation also preserves some historic protections for other groups such as those not of working age.
- 4.4 Individual budget proposals will also be subject to consultation which will consider specifically the impact on groups with protected characteristics and where appropriate put in place mitigation measures.

5 OTHER STATUTORY IMPLICATIONS

- 5.1 The Council is required to consider the value for money implications of its decisions and to secure best value in the provision of all its services. It is important that, in considering the budget, Members satisfy themselves that resources are allocated in accordance with priorities and that best value is achieved.
- 5.2 The sustainable action for a greener environment implications of individual proposals in the budget will be set out in the papers relating to those proposals.
- 5.3 Managing financial risk is of critical importance to the Council and maintaining financial health is essential for sustaining and improving service performance. Setting a balanced and realistic budget is a key element in this process. Specific budget risks will be reported to Cabinet as the budget process develops.
- 5.4 In addition the Council will maintain a range of budget provision (contingency) earmarked reserves for specific risks and general reserves for unforeseen events and risks.
- 5.5 The crime and disorder implications of individual proposals in the budget will be set out in the papers relating to those proposals.
- 5.6 The safeguarding implications of individual proposals in the budget will be set out in the papers relating to those proposals.

6 COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 This report is primarily financial in nature and no additional comments are required.

7 COMMENTS OF LEGAL SERVICES

- 7.1 The report requires cabinet to note the outcome of the budget consultation. Paragraph 3.12 states that a report will be taken to cabinet in January 2020 which will include consideration from the budget consultation .
- 7.2 Paragraph 3 of the report sets out the consultation process which commenced on the 25th of October 2019. Any consultation carried out for the purposes of either the best value duty or the public sector equality duty will need to comply with the following requirements: (1) it should be at a time when proposals are still at a formative stage; (2) the Council must give sufficient reasons for any proposal to permit intelligent consideration and response; (3) adequate time must be given for consideration and response; and (4) the product of consultation must be conscientiously taken into account. The duty to act fairly applies and this may require a greater deal of specificity when consulting people who are economically disadvantaged. It may require inviting and considering views about possible alternatives.
- 8 The consultation process as set out in the report is likely to meet the first 3 of these requirements and council must now show that it has conscientiously taken into account the product of the consultations when it makes its decision on the budget in January 2020.
- 8.1 When considering the budget and any savings proposals, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't (the public sector equality duty). A proportionate level of equality analysis is required to inform the consideration required by the public sector equality duty. To the extent that savings proposals involve service changes which impact on individuals, consultation may be required to understand the impacts on those people.

Linked Reports, Appendices and Background Documents

Linked Report

- NONE

Appendices

- Appendix 1 Budget Consultation Outcome Report

Background Documents – Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2012

- NONE

Officer contact details for documents:
N/A