

TABLED DOCUMENTS

BUDGET COUNCIL MEETING

WEDNESDAY 26th FEBRUARY 2014

AMENDMENTS NOTIFIED IN ACCORDANCE WITH BUDGET MEETING PROCEDURE RULES

AGENDA ITEM NO. 6 – BUDGET AND COUNCIL TAX 2014/15

Documents attached:

- 1. AMENDMENT PROPOSED BY COUNCILLOR CARLO GIBBS AND SECONDED BY COUNCILLOR SIRAJUL ISLAM (ON PINK PAPER) plus officer comments on the proposed amendment.**
- 2. AMENDMENT PROPOSED BY COUNCILLOR DAVID SNOWDON AND SECONDED BY COUNCILLOR ZARA DAVIS (ON BLUE PAPER) plus officer comments on the proposed amendment.**
- 3. AMENDMENT PROPOSED BY COUNCILLOR PETER GOLDS AND SECONDED BY COUNCILLOR TIM ARCHER (ON BLUE PAPER) plus officer comments on the proposed amendment.**

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Labour Group Budget Amendment

Proposer: Carlo Gibbs

Secunder: Sirajul Islam

Foreword:

- The ConDem Government continues in its ideological austerity drive hitting the most deprived communities such as ours the hardest. Whilst local councils face difficult decisions in the years ahead, strong, honest and fair leadership is required to ensure the most vulnerable are protected and services continue to serve residents' needs.
- The emptiness of this year's budget proposals from the Mayor shows that Lutfur Rahman has run out of ideas and has no plan to lead the borough through this difficult financial time.
- When John Biggs wins the Mayoralty in May we will be able to set about making the changes necessary to deliver the services residents rightly demand. Until then we need to send a clear message about the kind of administration we would lead.
- This Budget amendment starts to set out the progressive things that a Labour administration under John Biggs would seek to achieve. This includes;
 1. **Free School Meals for all primary school children;**
 2. **A 24h weekend noise nuisance and ASB reporting service;**
 3. **Action to tackle drug dealing;**
 4. **A private lettings service to cut out rip off charges and powers to hold RSLs to account;**
 5. **Utilising the council's capacity to build council housing;**
 6. **Funding to restore our much loved parks including bringing back the popular Victoria Park firework display.**
 7. **Cutting the Mayor's excessive spending on cars, advisors and communications;**

This Council believes:

- The budget deficit in 2015/16 stands at £28m and in 2016/17 this increases to £67m;
- The council budget for 2014/15 is not balanced and reserves are being used to cover the shortfall;
- The Mayor has failed to produce a plan of how he will tackle the deficit.
- Following years of pressure from Labour Group the Mayor has finally conceded that a plan is needed to deal with this deficit but has only just begun looking into this.
- This failure of leadership has led to two wasted years in which proposals could have been brought together in order to ensure our residents are protected from the worst of the Governments ideological cuts;
- The Mayor has left Tower Hamlets vulnerable because of this lack of leadership:

- The majority of the Mayors' current policies are not funded on a sustainable basis and are surviving on short term one off funding.
- It is important to show leadership in the face of ideological cuts driven by the Conservative / Liberal Democrat Coalition, and that as politicians we should be honest about the scale of the challenge we face and ensure that the council implements policies that are fair for its residents.

This Council therefore resolves to make the following amendments to the Mayor's budget for 2014/15:

Housing

1. Leaseholders and tenants

While the Mayor claims housing as one of his key priorities, he has failed to show leadership in an area of significant importance to residents. His failures include:

- Failing to get a grip on rising leaseholder charges and provide transparency for what residents are being charged for;
- Failing to take leadership over housing in the borough, instead meddling in the affairs of Tower Hamlets Homes board by hijacking the nominations and allowing the Chair to be forced out by independent representatives;
- Failing to implement all of the recommendations from the Beavers and Struthers Leaseholder audit;
- Failing to build council housing - disgracefully only building 15 council homes in his three and half years in office;
- Presiding over the Watts Grove site fiasco;
- Failing to get a fair deal from the Olympic village, securing just 27 homes;
- Failing to crack down on rogue landlords and failing to support people in the private rented sector;
- Hypocritically allowing his Cabinet to brand Registered Social Landlords "dodgy" despite them delivering 99% of affordable housing in the borough, for which he takes credit;
- Failing to hold RSLs to account when they don't deliver for their residents on issues such as anti-social behaviour;
- Overseeing a 109% increase in homelessness;
- Unlawfully leaving 94 families in bed and breakfast accommodation for over 6 weeks;

This Council resolves to reverse this legacy of failure by:

- We will, following the election, begin looking at bringing Tower Hamlets Home back under council control to provide stronger leadership and investigating the potential for savings from this process;
- Providing the support and leadership required to allow the council to deliver an ambitious council house building programme as the Labour Party has done in other areas such as Southwark, by preparing to deliver 1000 new homes;

- Providing funding to establish a council run lettings agency to support residents into the private rented sector that are facing high rents, charges and excessive credit checks and bring forward proposals around to crack down on rogue private landlords;
- Implementing the final recommendations in the Scrutiny review into co-regulation and accountability to ensure that Registered Housing Providers are delivering for residents;

This will allow a Labour Mayor to show much needed leadership by:

- Reviewing the Service Level Agreements between the council and THH with a view to providing better value for money;
- Reviewing costs to service charges with a view to providing a more efficient and transparent service for THH leaseholders and residents;
- Immediately implementing all of the recommendations in the Beavers and Struthers audit.
- Building the council homes that are so desperately needed;
- Support residents who are victims of rogue landlords or struggling to find housing in the private rented sector;
- Hold Registered Social Landlords to account and ensure they are deliver a decent standard of services for our residents;

This council further believes:

2. Tackling poverty

- Despite the political will and the financial capability, the Mayor has failed to show the leadership that is needed in order to deliver free school meals for all primary school pupils in Tower Hamlets. This lack of leadership and disingenuous attempt to convince residents he has already delivered this fails our young people and their parents.
- That the mayor disgracefully cut funding to advice centres at the height of the welfare cuts and proposed closing the one stop shop at Rushmead. That only through Labour Group's campaigning were the worst of these cuts reversed.
- The Conservative/Liberal Democrat Government have further cut the funding for crises payments, leaving the council £1.7m down in funding.
- Typically, the Mayor has no idea how to implement a policy to replace this scheme and has simply used reserves to cover the shortfall for one year

This Council resolves to show leadership by diverting resources back to free school meals in order to deliver this for all primary school pupils as the Labour Party has done in Newham, Southwark and Islington. This will include:

- Reversing the Mayor's decision to remove £1.3m of funding for free school meals from public health funds;
- Showing leadership by ensuring that the power of the Mayor's office is used to work with business, third sector and NHS partners to ensure that more than 100 women over 25 are given opportunities for employment in the health sector in a sustainable way and not just as a one off.
- Ensuring that through the main stream grants programme organisations that provide welfare advice are given priority and that Lutfur Rahman's disgraceful politicisation of the grants process is ended.

This Council further believes:

3. Crime and safety

Under Lutfur Rahman crime in Tower Hamlets has risen while it is falling in neighbouring boroughs. The Mayor has failed to show leadership on this issue and this failure includes:

- Restricting the operating times for the out of hours noise service, restricting residents ability to raise noise complaints at key times;
- Presiding over an increase in crime of 1.4% since he came to power, while neighbouring Labour boroughs have seen significant falls of up to 8%;
- Drug dealing remains a major issue on the borough's streets and estates;
- Failing to challenge the Conservative Mayor of London's cuts to police numbers and police stations;

In order to address these important issues, this Council resolves to:

- Develop capacity to implement a community safety plan for each neighbourhood to ensure local residents have their say on local priorities;
- Provide additional resources to officers to tackle the scourge of drug dealing that blights many parts of the borough, including fully funding the sniffer dogs patrols to be rolled out across the borough;
- Reverse the cuts to the out of hours noise team to ensure that all noise nuisance and ASB can be reported around the clock at the weekends.

This Council further believes:

4. Communications and good governance

The communications budget and other resources at this council has been wilfully abused by the Mayor, and at a time that council services are being cut and staffing levels reduced, it is disgraceful that council funds are being used to promote the Mayor to support his re-election.

Examples of this unfair excess include:

- £1m per year on a newspaper which favours the Mayor and independent councillors and which the Council's own statistics have shown featured 320 quotes from the Mayor and independent councillors compared with only 15 from Labour, Conservative, Liberal Democrat and Respect councillors combined. The paper also ran 164 images of the Mayor and his supporters as opposed to the 26 featuring opposition councillors including the ceremonial speaker of the Council;
- £16,000 spent on propaganda telling residents the streets are 'clean';
- £37,000 spent on letters announcing policy decisions;
- Last year choosing to increase spending on his office by 65% to £700,000, including £296k for advisors whilst cutting frontline staffing budgets elsewhere in the Council.
- Spent £42k on a mayoral Limousine and personal chauffeur and dishonestly claimed that this was being scrapped, when funding continues to remain in the MTFP for 3 years;

- £170,000 Spent on community forums where just a handful of residents attended. Whilst we fully support deliberative democracy this should be done in a truly engaging way and thus we would review this programme and look to work in partnership with resident organisations and others.

In order to address this abuse of public funds this Council resolves to:

- To remove the capacity for departments to spend on advertising by reducing their budgets by £200,000;
- Cut funding to the Chief Executive's department by £326,000 to remove the advisors and the Mayoral Car;

This council further believes:

5. Community and Public Realm

That the Mayor has failed to ensure that the borough is clean and that the community benefit from commercial events in the boroughs parks. Including;

- Nearly 4,000 missed collections in three months;
- Charging for bulk waste collections and having one of the worst record in the country for infestations;
- A dog fouling machine costing over £41,000 a year that services only a small part of the Deputy Mayor's ward, cleaning the street he lives on twice a week;
- The removal of one of London's favourite fireworks displays from Victoria Park for no good reason;
- Refusing to listen to residents concerns over the commercial use of Victoria Park and other parks;
- The decision to move the council Town Hall to Mulberry Place was made by the Lib Dems in 1993, and not under Labour as the Mayor is dishonestly trying to claim;
- That the options for a new town hall have not be properly scrutinised or explored by the Mayor;

This council resolves:

- To redeploy the Dog Fouling machine to work for residents across the borough;
- To return the annual fireworks event to its home at Victoria Park;
- Allocate £125,000 to support the restoration and improvement of the borough's other parks and open spaces;
- To delay the decision to build a multimillion pound town hall. Moving allocated funding back to a reserve fund for decision after a thorough review of options.

2014/15 Budget Proposals

| Project | Change |
|--|------------|
| Saving Proposals | |
| Cancel the decision to remove £1.3m of funding for free school meals for 2014/15 | £1,300,000 |
| Departmental top slice for advertising CLC, D&R, ESWB | £200,000 |
| Cut the Mayoral car | £30,000 |
| Cut the Chief Executives cost for mayoral advisors/consultants | £296,000 |

| | |
|--|---------------------------|
| Remove community ward forum funding following completion of 2013/14 programme pending review | £170,000 |
| Savings from the reduction to 45 councillors | £28,000 |
| Delay decision on Town Hall pending options review | £2,000,000 |
| | + £4,024,000 |
| Spending Proposals | |
| Provide universal free school meals for all primary pupils | - £1,300,000 |
| Provide funding to develop a council run lettings agency to support people into the private rented sector | - £250,000 |
| Restoration of Victoria Park firework display | - £45,000 |
| Build capacity for council house building programme | £0 – From existing budget |
| Restoration of 24 hours noise service at weekends | -£110,000 |
| Neighbourhood community safety plan (from existing resources) | £0 – From existing budget |
| Expansion of sniffer dog patrols to tackle drug dealing | -£144,000 |
| Deliver the final recommendations from RSL co-regulation scrutiny review specifically in relation to the tenants' panel. | -£50,000 |
| Public realm and park improvements | - £125,000 |
| Move funding allocated for Town Hall to separate earmarked reserve | -£2,000,000 |
| | |
| Total: | -£4,024,000 |

Conservative Amendment 1: 2014/15

Proposed by: Cllr David Snowdon

Seconded by: Cllr Zara Davis

This Council Believes that:

1. That the Mayor's spending on his private office is obscene. Cutting £502,000 from the budget will still allow him to enjoy suitable political and administrative support. The Mayor's duplication of roles within the council and inflated number of advisors is not acceptable.
2. Eliminating the Mayor's hated stealth tax, the bulk waste collection charge, will lead to a cleaner borough, reduce cleanup costs to the council and help hard working local families.
3. Local residents want to see more police on the streets, and taking advantage of London Mayor Boris Johnson's reduced cost 'Buy-One-Get-One-Free' offer is a cost-effective way of doing so.
4. Tower Hamlets Council should not be providing refreshments for Councillors, and that this funding should be re-invested in local services.
5. Local residents are opposed to the commercialisation of our parks and open spaces, and would welcome the elimination targets to raise income from them.
6. The Mayor of Tower Hamlets has failed the people of this Borough on keeping our roads in good condition and cleaning up dog mess. Extra spending in both these areas will ensure our public realm is of a much higher quality.
7. Local residents would have greater opportunities if more provision was available for English language classes (ESOL). This should be financed by eliminating spending on non-statutory translation.
8. The government has legislated for the abolition of East End Life. Acting now to close down this "newspaper" would be in the best interests of local residents.
9. A 5.75% Council Tax Rebate for 2014/15 will help hard working local families in these still difficult economic times. The public would rather see their money returned to them than frittered away on the Mayor's private office and his pet projects.

This Council Calls Upon the Executive to:

Implement the following increases in spending

| Description | 2014/15 impact | Detail |
|-----------------------------|-------------------|---|
| Pot Holes | £120,000 | Provide additional resources to identify and fix pot holes |
| Dog mess | £100,000 | Provide additional resources to clean up dog mess |
| Fireworks | £100,000 | Reinstate the fireworks across the borough that were cancelled in 2013 |
| ESOL Classes | £75,000 | Fund extra classes with the aim of abolishing waiting lists for ESOL |
| Police Constables | £73,000 | Add 6 Police Constables, on top of any planned increases in police numbers |
| Council Tax Rebate | £3,245,795 | Alter the planned rebate to instead provide a 5.75% rebate to all households in the borough worth £50.92 to Band D households, at a total cost of £3,820,795, offset by the £575,000 already set aside for a rebate |
| Increase in spending | £3,713,795 | |

Reduce income as follows:

| Description | 2014/15 impact | Detail |
|----------------------------|-----------------|---|
| Commercial Events in Parks | £163,000 | End all corporate, commercial and private events except already contracted events |
| Bulk Waste Charges | £60,000 | Scrap charges completely |
| Reduction in income | £223,000 | |

Increase income as follows:

| Description | 2014/15 impact | Detail |
|-----------------------------|-----------------|--|
| Council Tax Collection Rate | £431,574 | Maintain Council tax collection rate of 96.65% as achieved in 2012/13 and projected to be achieved in 2013/14, rather than rate set for 2014/15 of 96% |
| Increase in income | £431,574 | |

Implement the following cuts to council spending

| Description | 2014/15 impact | Detail |
|-----------------------|----------------|--|
| Faith Buildings | £875,000 | Remove funding for 2014/15 |
| Mother Tongue | £776,000 | Remove budget for Mother Tongue |
| Mayor's Office Budget | £502,000 | Cut the budget for spin doctors and advisors |
| Communications | £300,000 | Reduce this excessive spending |

| | | |
|------------------------------|-------------------|---|
| Budget | | |
| Trade Union Facility Time | £250,000 | Scrap taxpayer subsidy for political activities |
| Translation services | £246,888 | Stop non-statutory translation of documents into foreign languages in order to promote our One Tower Hamlets objective and follow DCLG best practice. |
| Arts and Events Budget | £200,000 | Retain community grants budget, but reduce TH Arts & Events budget |
| Councillor Pensions | £126,333 | Scrap entirely, in line with DCLG guidance |
| External Venues | £118,000 | Stop hiring out external venues for internal Council meetings and away-days (though enable Members to continue holding surgeries in the community) |
| Reprographics | £50,000 | Reduce printing needs by making better use of IT |
| Mayoral Car | £42,000 | Abolish the Mayoral car |
| Town Hall Subscriptions | £15,000 | End subscription to Randalls Parliamentary Service and Meltwater PR |
| Refreshments | £4,000 | End refreshments at Council meetings |
| Reduction in spending | £3,505,221 | |

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Conservative Amendment 2: 2014/15

Proposed by: Cllr Peter Golds

Seconded by: Cllr Tim Archer

This Council Calls Upon the Executive to:

Implement the following increases in spending

| Description | 2014/15 impact | Detail |
|-----------------------------|-----------------|--|
| Pot Holes | £120,000 | Provide additional resources to identify and fix pot holes |
| Dog mess | £100,000 | Provide additional resources to clean up dog mess |
| ESOL Classes | £46,000 | Fund extra classes |
| Police Constables | £73,000 | Add 6 Police Constables, on top of any planned increases in police numbers |
| Increase in spending | £339,000 | |

Reduce income as follows:

| Description | 2014/15 impact | Detail |
|----------------------------|-----------------|---|
| Commercial Events in Parks | £134,000 | End all corporate, commercial and private events except already contracted events |
| Reduction in income | £134,000 | |

Implement the following cuts to council spending

| Description | 2014/15 impact | Detail |
|------------------------------|-----------------|--|
| Mayor's Office Budget | £502,000 | Cut the budget for spin doctors and advisors |
| Reduction in spending | £502,000 | |

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OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE LABOUR PARTY

The following sets our comments by officers 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.

General Comments of the Chief Financial Officer

The proposals are deemed to be cost neutral in 2014/15, although there would be some additional one-off costs. Those could be provided for within the Medium Term Financial Plan as set out below and in the detailed comments.

It is likely that one-off reserves would be required to fund minor costs of decommissioning services, where they would be subject to the Council's organisational change procedure, or involve termination of contracts, and so would not be implementable from 1st April. These additional costs could be contained within the MTFP period by bringing forward use of available general reserves. However, the proposed additional savings over the period of the MTFP are assumed to be some £200k per annum from 2015/16.

The funding for additional free school meals assumes the 2014/15 financial year cost only. The cost of provision for a full academic year would be approximately £2.3m. Therefore the cost of providing for the academic year 2014/15 would require further growth in 2015/16 of some £1m.

General Legal Comments

The proposals appear capable of being carried out within the Council's statutory powers. Where necessary, additional comments are set out below.

Where budget is made available for a particular proposal, implementation will generally be a matter for the executive.

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE LABOUR PARTY

The following sets our comments by officers 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.

Proposal

To provide Universal free school meals for all primary age pupils from September 2014 - £1.3m

Corporate Director's Comments

Schools currently pay for pupils who are eligible for statutory free school meals through their devolved budgets. Currently, the Public Health Grant meets the cost of a lunchtime meal for pupils in Reception to Year 1 who are not otherwise eligible.

From September 2014, the Department for Education will pay for a meal at lunchtime for all pupils in Reception – Year 2 for those pupils not otherwise eligible. This will be funded through a specific grant.

In order to pay for meals for those in Years 3 – 6 who are not otherwise eligible, this is estimated to cost £2.321m in a full academic year. This is based on 6,784 pupils currently in Years 3-6, not eligible for statutory free school meals at £2.30 per meal for 78.3% (ie current) take-up.

Pupil numbers will fluctuate, as will take-up. Younger year-groups are larger than older ones, so a steady rise can be expected over time. If take-up was at 90%, the costs would rise by £0.347m in a full year.

The additional cost of the meals is not the only consideration, however. It is extremely difficult to determine the burden on schools if all pupils were to have a free meal however the expectation is that additional supervision will be required in the dining hall and timetables will need to be reviewed to ensure all pupils have sufficient time to eat which may require staggered lunch breaks.

There would be less of a burden on schools if they were not collecting cash and the use of appropriate software – in conjunction with the kitchen may ease the administration. Schools may need to purchase additional dining furniture.

From a catering service's point of view additional staffing would be required along with additional light and heavy equipment and in some instances (dependent on a site by site review) additional space. Some sites may require additional electrical and gas supply installations.

It is likely that a project officer would be required to carry a full feasibility of each site if this project was to move forward.

Any additional comments of the Chief Financial Officer

The direct costs of this initiative are estimated to be £2.321m in a full year. So, for 2014/15 financial year (i.e. from September 2014 to March 2015), the estimated cost would be around £1.3m (i.e. 7/12ths of the full-year cost). If the initiative ran for the full academic year, this would require a further £0.967m in 2015/16 financial year. The actual costs will be dependent on actual pupil numbers and the level of take-up. Any additional costs can be contained within the overall Public Health Budget.

Cabinet on 5th February 2014 considered a proposal to allocate £1.3m over two financial years for a Women into Employment initiative which would use the Public Health Grant released by the introduction of the national FSM scheme for R-Y2 pupils. If this were not to proceed, it would cover the first £1.3m of the cost of this alternative proposal, leaving £0.967m to find if it runs for a full academic Year.

There are likely to be costs on schools associated with what might be a stepped change in the number of pupils accessing a meal at lunchtime, but these will vary from school to school and no estimates are readily available.

There may need to be some capital investment if school facilities are insufficient to meet the requirements and the DfE has allocated £0.748m school meals capital grants for Tower Hamlets (including £0.157m for VA schools) for 2014/15, which might be used to deliver this.

Any additional legal comments

Council may allocate budget for free school meals, but the question of whether the Council will charge for provision of free school meals (where it has discretion to do so) is an executive function.

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE LABOUR PARTY

The following sets our comments by officers 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.

Proposal

Departmental top slice for advertising CLC, D&R & ESCW – £200k

Corporate Director's Comments

This will mean a top slice in departmental budgets for supplies and services which is achievable in 2014/15.

Any additional comments of the Chief Financial Officer

The saving is assumed to be ongoing from 2014/15.

Any additional legal comments

The Council will need to continue to meet its obligations in relation to the publication of statutory notices associated with consultation and decision-making.

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE LABOUR PARTY

The following sets our comments by officers 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.

Proposal

Cut to the Mayoral Car - £30k

Corporate Director's Comments

The cost of the Mayor's car and Chauffeur is £42k. This is inclusive of the driver, lease charges and petrol. A cut in the budget will result in residual charges for the lease and potential staffing implications. The reduction of £30k can be achieved in 2014/15 but any additional costs from potential redundancy will need to be funded from bringing forward the use of general fund reserves

Any additional comments of the Chief Financial Officer

None

Any additional legal comments

None

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE LABOUR PARTY

The following sets our comments by officers 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.

Proposal

Cut in Chief Executives cost for Mayoral advisors / consultants - £296k

Corporate Director's Comments

This would reduce the budget in effect to more or less than 2011/12 level when the office was originally established. The reduced amount would be enough to fund core staff of the office. The main effect would be to delete almost all the budget for the Mayoral advisors. This is do-able legally as they are not a statutory function, but would reduce the Mayors capacity to respond on matters requiring policy input.

The saving of £296k for mayor's advisors is one-off for 2014/15.

Any additional comments of the Chief Financial Officer

The Mayor's office is part-funded from reserves and therefore a cut would not deliver an on-going saving.

Where employees of the council, advisers may be entitled to severance pay on the termination of contracts and funding for this would need to be found from Council reserves.

Any additional legal comments

None.

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE LABOUR PARTY

The following sets our comments by officers 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.

Proposal

Remove Community ward forum funding following completion of 2013/14 programme pending review - £170k

Corporate Director's Comments

The Local Community WardForum initiative would need to be reviewed and expectations of the community managed after setting up the first year of the participatory budget process.

Any additional comments of the Chief Financial Officer

None

Any additional legal comments

None

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL

BY THE LABOUR PARTY

The following sets out our comments by officers 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.

Proposal

Savings from the Reduction to 45 Councillors - £28k

Corporate Director's Comments

The decision to reduce councillors from 51 to 45 will result in an on-going full year saving of £60k. Currently for 2014/15 only, most of the saving had been set aside to fund any potential additional costs arising from the election in May 2014. If the saving is to be achieved in 2014/15, less funding will be available to support the election process.

Any additional comments of the Chief Financial Officer

None

Any additional legal comments

None

**OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL
BY THE LABOUR PARTY**

The following sets out our comments by officers 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.

Proposal

Town Hall – Delay decision on Town Hall pending options review and move funding allocated to a separate earmarked reserve – £2m

Corporate Director's Comments

Scenario: 9 -12 month delay on making a decision.

The Council is unlikely to be able to stay in Mulberry Place beyond the expiry of the current lease in 2020. East India Dock is likely to be converted into a residential scheme. The landlord has already held pre-application discussions with planners and has begun the public consultation process. As a result, there is a need to plan and secure alternative administrative facilities (in the form of a new civic centre) from mid-2019 to ensure consistent and protected front line service delivery.

Officers have ruled out the possibility of using any existing assets to develop out a new civic centre and have therefore had to look externally for a viable development opportunity.

The Council have a commercially advantageous position with NHS Barts on the purchase of the Royal London Hospital Site in Whitechapel through the public assets register disposal procedure.

An offer has been made to and accepted by the board of trustees of NHS Barts which is subject to contract and ratification at Budget Council.

Any delay on the purchase of the site would likely mean that NHS Barts would offer the site to the open market and that the Council would have to bid in a competitive tender process alongside residential developers, thereby significantly increasing the likely total purchase price of the site. This could reasonably be anywhere in the region of £4 to £5 million more than the provisionally agreed and budgeted purchase price. Even in a tender process there is no guarantee that the Council would be the highest or most attractive bidder. If the Council were not able to purchase the site as a result of a delay then it would also represent a significant missed opportunity in terms of making a meaningful contribution to the widely publicised Whitechapel Masterplan/Vision.

If the delay extended to 12 months there would be the potential for a significant increase in the unit rates of construction which at the current rate of increase would add £600-750k to the build cost. If an alternative site to the

RHL site was required, further project team and consultant support would be required on due diligence and feasibility work costing approximately £200k.

The delay would inevitably lead to a more condensed construction and implementation phase, shifting more risk to the Council and costing more risk in to the programme.

If a delay in making a decision on a new civic centre meant that the Council was unable to proceed with a purchase of the Whitechapel site, then there would be an urgent need to address alternatives. Assuming that no viable alternative development sites could be secured to suit the Councils operational requirements, the council may find itself without an administrative and/or civic centre.

The proposal to purchase the Whitechapel site following ratification at Budget Council is still considered to be the most cost effective use of resources in the face of operational requirements, the ability (or lack of) to stay in Mulberry Place past lease expiry on favourable financial terms and the commercially advantageous position that currently exists with NHS Barts to purchase the site without competition from developers. A delay of up to a year is highly unlikely to result in any financial savings over the short to medium term and is more likely to result in additional funding requirements.

Any additional comments of the Chief Financial Officer

The proposal would add £1m to Earmarked General Fund Reserves and £1m to HRA reserves.

Any additional legal comments

The Council has an obligation as a best value authority under section 3 of the Local Government Act 1999 to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness”. The Council is required to consult for the purposes of deciding how to fulfil its duty. The commercial implications referred to above may in turn give rise to issues about best value and how this may be achieved.

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE LABOUR PARTY

The following sets our comments by officers 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.

Proposal

Provide Funding to Develop a Council run lettings agency to support people into the private rented sector - £250k

Corporate Director's Comments

The council has previously attempted to deliver its own lettings agency; with limited success.

The proposed scheme is not dissimilar to the current leasing schemes operated by all councils (although the current Tower Hamlets scheme is a less constrained licence scheme) but with the tweak that the council endeavours to work directly with property owners (as opposed to managing agents). The owners benefitted by not having to pay the fees they typically experience when dealing with agents. LB Hackney was recently featured in the Evening Standard for a similar scheme. However, there is no evidence that this mechanism has proved at all successful; that authority's success in avoiding the use of B&B is in direct consequence of its preparedness to rent self-contained accommodation on a "nightly let" basis, paying high hotel rates for residential accommodation. Offering no more security than B&B, this practice actually inflates property costs (considerably) and renders it difficult to resist existing landlords if they request converting weekly rents to nightly lets. That is way, between Hackney and Newham councils, over 1,000 units of "normal" residential accommodation are held under nightly let arrangements.

Our keys costs (and pressure) in relation to this would be as follows:

1. Marketing costs – these would be minimal and the council would use existing advertising and marketing avenues to ensure maximum impact with minimal spend
2. Staff – running our own lettings agency would result in an increased workload and require sufficient staffing resources to manage a lot more small suppliers, rather than the existing situation where staff deal with fewer, but bigger, suppliers. Without doing additional work to estimate the numbers of landlords the scheme would attract, it would be difficult to quantify the staffing resources required to deliver the required level of service.

3. Rent guarantee – this would be the second largest cost pressure resulting from such a service. Based on the council’s current portfolio, and the arrears accrued (and forecast to be accrued) by private rented sector tenants in temporary accommodation this year, this could require up to £904k per annum. When the council has done this in the past, landlords have not been satisfied with the maximum we were willing – and able – to pay. Without offering a rent guarantee scheme, at a sufficient level (see below), it would be difficult to secure the interest of a sufficient volume of landlords, something that is required for a successful scheme. Hackney’s scheme offers a rent guarantee; however, this will either mean a considerable cost pressure in the regions of millions of pounds to ensure the guarantee pays out at or above the market rates, or their scheme will fail to attract the volume of landlords and properties required to make the scheme a success.

4. Rental fee levels – based on our knowledge of the market, the rental fees we currently pay are £50-70 p/w below the market level. With a portfolio of 1,600 properties, this means a difference of £4.2m-£5.8m. As stated above, without offering a sufficiently high enough rental fee level, it will be difficult to deliver a successful scheme.

When the council attempted to do this in the past, the key constraint was our ability to offer higher rental fees.

There is another potential model that has the council take on the roles currently done by absentee leaseholders (or their agents) when renting ex-RTB accommodation, albeit typically not necessarily for homeless households. The costs of such a scheme would be comparable to the costs occasioned by THH (management and maintenance figures) but allowing these to be influenced by two factors – high rents not necessarily being paid and the excessive demands of non-resident landlords. The former is an income threat, the latter a threat to operational costs. Consideration was previously given to this under the auspices of an “Ethical Lettings Company”

Any additional comments of the Chief Financial Officer

The £250k proposed budget for 2014/15 is assumed to be one-off, but would need to be reviewed during the year, and if necessary additional growth would need to be sought for 2015 and beyond.

Any additional legal comments

Council may allocate budget for this proposal, but its implementation will be an executive function. The proposal will need to be approached carefully to ensure that creation of an agency does not lead to any unlawful distortion of competition.

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE LABOUR PARTY

The following sets our comments by officers 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.

Proposal

Restoration of Victoria Park Fireworks Display - £45k

Corporate Director's Comments

The amount proposed will facilitate restoration of the display.

Any additional comments of the Chief Financial Officer

This is assumed to be a one-off additional cost for 2014/15 funded through the identified compensatory savings.

Any additional legal comments

None

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE LABOUR PARTY

The following sets out our comments by officers 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.

Proposal

Build capacity for council house building programme – to be funded from within the existing budget. - £0

Corporate Director's Comments

As a landlord function, the costs of developing new council dwellings will fall upon the Housing Revenue Account and there will be very little impact, if any, on the General Fund.

Officers are currently investigating various initiatives for the provision of new council housing, with this work being contained within existing resources. Any proposals that do proceed will require revenue costs to be included within scheme development budgets. If a new model for funding council house building is developed this will need to be thoroughly tested, and the financial implications for both the general fund and the housing revenue account will need to be subject to rigorous affordability, value for money and financial risk analysis

It must be stressed however that the key issue is the availability of capital resources to finance any building programme, and any impact on the Housing Revenue Account in light of the need to maintain the existing stock and complete the Decent Homes Programme, which is currently in the third year of the five year programme. Any borrowing undertaken within the Housing Revenue Account to undertake the building of new dwellings has to be considered in light of these other commitments and must be assessed in relation to the Authority's debt cap and the consequential need to finance the debt charges arising from the borrowing. Currently there is extremely limited capacity in relation to the debt cap which effectively means that there is no new borrowing capacity for capital spend. There is no capacity for financing additional borrowing in the next few years either without making compensatory revenue savings elsewhere in the HRA.

Any additional comments of the Chief Financial Officer

The proposal does not seek to provide further funding other than the opportunity cost of officer time.

Any additional legal comments

None

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE LABOUR PARTY

The following sets our comments by officers 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.

Proposal

Restoration of 24hour noise service at weekends - £110k

Corporate Director's Comments

The allocation of additional funding to keep the Noise service open for 24 hours Thursday to Sunday would provide for the equivalent cost of 2 FTE at a cost of £110k including shift allowance.

Any additional comments of the Chief Financial Officer

For the purpose of the MTFP, this is assumed to be an ongoing budget requirement of £110k funded through identified compensatory savings.

Any additional legal comments

None

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE LABOUR PARTY

The following sets our comments by officers 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.

Proposal

Neighbourhood Community safety plan - £0 – From existing budget

- Develop capacity to implement a community safety plan for each neighbourhood to ensure local residents have their say on local priorities;
- Provide additional resources to officers to tackle the scourge of drug dealing that blights many parts of the borough, including fully funding the sniffer dogs patrols to be rolled out across the borough;
- Reverse the cuts to the out of hours noise team to ensure that all noise nuisance and ASB can be reported around the clock at the weekends.

Corporate Director's Comments

Crime and ASB is the primary responsibility of the MET Police. The Council is a key partner in development of the Community Safety Plan for the Neighbourhoods. Development of capacity will require the cooperation and engagement primarily of the MET Police in supporting the local authority. As there is already a ward level Community Policing forum. The Police are unlikely to want to duplicate this function via a neighbourhood community safety plan.

The sniffer dogs are funded by Tower Hamlets Homes properties and the service supported by enforcement officers. The service is managed through a service level agreement. Additional resources would be required outside of the core budget to roll out the service across the borough or clarity regarding where budgets should be reduced to fund it given.

In response to the proposal ASB can always be reported and dealt with around the clock at weekends 24/7. However noise and nuisance is reported through the out of hours service. The reversal of the cuts in the out of hours budget would need to be supported by additional resources or clarity regarding where budgets should be reduced to fund it given.

Any additional comments of the Chief Financial Officer

The proposal does not seek to provide further funding other than the opportunity cost of officer time.

Any additional legal comments

The Council is one of the responsible authorities for Tower Hamlets, within the meaning of section 5 of the Crime and Disorder Act 1998. Other responsible authorities for Tower Hamlets include: every provider of probation services in Tower Hamlets; the chief officer of police whose police area lies within Tower Hamlets; and the fire and rescue authority for Tower Hamlets. Together, the responsible authorities for Tower Hamlets are required to formulate and implement, pursuant to section 6 of the Crime and Disorder Act 1998, strategies for: the reduction of crime and disorder; combating the misuse of drugs, alcohol and other substances; and the reduction of re-offending. Consistent with these provisions, proposals for crime and disorder reduction should be taken forward in partnership.

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE LABOUR PARTY

The following sets our comments by officers 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.

Proposal

Expansion of Sniffer dog patrols to tackle drug dealing - £144k

Corporate Director's Comments

Borough Wide coverage could be secured with 2 dogs although 3 dogs would ensure a more frequent and effective service.

Any additional comments of the Chief Financial Officer

The cost of the proposal is deemed to be one-off and funded through identified compensatory savings.

Any additional legal comments

The use of sniffer dogs will need to be in accordance with the Council's statutory powers. As the Council has no powers of arrest in relation to drug offences, the use of dogs will either be for deterrent purposes or will need to be in conjunction with police.

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE LABOUR PARTY

The following sets our comments by officers 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.

Proposal

Deliver the final recommendations from RSL co-regulation scrutiny review specifically in relation to the tenants' panel - £50k

Corporate Director's Comments

The recommendations within the scrutiny review can be implemented with the creation of an additional post to deliver the work and utilisation of some of the proposed funding for training initiatives and independently-led seminars.

It should be noted that some of the recommendations of the review rely on the borough's Registered Providers becoming party to the activities we will be undertaking. While the council can build on existing strong partnerships with local Registered Providers, including via the Tower Hamlets Housing Forum, this might be harder to achieve with RPs who also hold stock outside of the borough, as they often have national or regional policies and procedures.

Any additional comments of the Chief Financial Officer

This is assumed to be a one-off additional expenditure for 2014/15 funded through identified compensatory savings.

Any additional legal comments

None.

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE LABOUR PARTY

The following sets our comments by officers 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.

Proposal

Public Realm and Park Improvements - £125k

Corporate Director's Comments

A sum of £125k would provide for the refurbishment of one or two smaller pocket parks, dependent upon the exact nature of the works involved: In general hard landscaping such as footway renewals, walling, lighting and the like is considerably more expensive than soft landscaping with tree, shrubs and other planting and smaller infrastructure items such as bins and benches.

£125k could pay for a noticeable level of soft landscaping for up to four parks. The sum might be extended further but impacts of spend would be less visible.

Any additional comments of the Chief Financial Officer

This is assumed to be a one-off additional expenditure for 2014/15 funded through identified compensatory savings.

Any additional legal comments

None

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE CONSERVATIVE PARTY

The following sets our comments by officers 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.

General Comments of the Chief Financial Officer

The proposals are deemed to be cost neutral in 2014/15, although there would be some additional one-off costs. Those could be provided for within the Medium Term Financial Plan on the basis of the assumptions set out below.

The major elements of the additional costs (and in particular the Council Tax rebate) are assumed to be one-off, for 2014/15 only, whereas the proposed budget reductions, except where detailed in the following attachments, are assumed to be ongoing.

It is likely that one-off reserves would be required to fund costs of decommissioning services, where they would be subject to the Council's organisational change procedure, or involve termination of contracts, and so would not be implementable from 1st April. However, because savings over the period of the MTFP, arising from the proposals, are assumed to be some £2m per annum from 2015/16, these additional costs could be contained within the MTFP period by bringing forward use of available general reserves.

General Legal Comments

When carrying out its functions (including when making budget decisions), the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010 (e.g. discrimination), 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. Some form of equality analysis may be required to ensure the Council acts consistently with this public sector equality duty and the level of such analysis will generally depend on the nature of the decision and how it will impact on individuals. In some cases consultation with affected people may be required. Some of the proposals outlined below may give rise to the need for analysis.

Where budget is made available for a particular proposal, implementation will generally be a matter for the executive.

Specific legal comments are set out below in relation to proposals which require them.

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE CONSERVATIVE PARTY

The following sets our comments by officers 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.

Proposal

Provide additional resources to identify and fix pot holes - £120,000.

Corporate Director's Comments

This proposal would provide two months borough wide coverage. The average cost per pothole repair is £83.

Any additional comments of the Chief Financial Officer

This is assumed to be one-off additional expenditure for 2014/15, funded either from compensatory savings or bringing forward the use of general fund reserves.

Any additional legal comments

None

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE CONSERVATIVE PARTY

The following sets our comments by officers 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.

Proposal

Provide additional resources to clean up dog mess - £100,000.

Corporate Director's Comments

The resources could be used to fund either 3 additional sweepers or an extensive education programme for dog owners or a mixed of both.

Any additional comments of the Chief Financial Officer

This is assumed to be one-off additional expenditure for 2014/15, funded either from compensatory savings or bringing forward the use of general fund reserves.

Any additional legal comments

None

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE CONSERVATIVE PARTY

The following sets our comments by officers 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.

Proposal

Reinstate the fireworks across the borough that were cancelled in 2013 - £100,000.

Corporate Director's Comments

Although not stated we assume that this proposal transfers the fireworks event back to Victoria Park. There is no core budget provision for the fireworks event. The last fireworks delivered at Victoria Park cost £150k. The cost of delivering the event is now higher, there will be a larger number attending and the event management plan is more complex for us to deliver a safe event within the park.

Any additional comments of the Chief Financial Officer

This is assumed to be one-off additional expenditure for 2014/15, funded either from compensatory savings or bringing forward the use of general fund reserves.

Any additional legal comments

None

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE CONSERVATIVE PARTY

The following sets our comments by officers 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.

Proposal

Fund extra classes with the aim of abolishing waiting lists for ESOL - £75,000.

Corporate Director's Comments

The proposal is unlikely to eradicate the waiting list which has already come down from up to two years to eight weeks. The causes relate to issues like eligibility queries, reluctance of applicant to travel to vacancies in other parts of the borough and delays related to finding and payment for childcare. That said, the average cost per group of 15 learners for 140 hours provision is £17k, the sum provided will pay for an additional four classes.

Any additional comments of the Chief Financial Officer

This is assumed to be one-off additional expenditure for 2014/15, funded either from compensatory savings or bringing forward the use of general fund reserves.

Any additional legal comments

None

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE CONSERVATIVE PARTY

The following sets our comments by officers 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.

Proposal

Add 6 Police Constables, on top of any planned increases in police numbers - £73,000.

Corporate Director's Comments

The proposed sum of £73k will not pay for 6 additional police constables as the MOPAC agreement has to be for a 3 year term. The minimum sum required for an additional 6 in year 1 is £73k but the total sum that would need to be committed over a 3 year period would have to be £582k.

Any additional comments of the Chief Financial Officer

The proposal is to provide for an additional 6 Police Constables under the current MOPAC agreement, at a cost in 2014/15 of £73k. This requires a minimum 3 years agreement that is estimated to cost a further £255k per annum to March 2017. The 2014/15 cost can be funded either from compensatory savings or by bringing forward the use of general fund reserves, but additional savings will have to be identified within the MTFP for 2015/16 and 2016/17.

Any additional legal comments

None

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE CONSERVATIVE PARTY

The following sets our comments by officers 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.

Proposal

Alter the planned rebate to instead provide a 5.75% rebate to all households in the borough worth £50.92 to Band D households, at a total cost of £3,820,795, offset by the £575,000 already set aside for a rebate.

Corporate Director's Comments

This is possible to implement under Section 13A local discounts, but there will be limited time to prepare programmes and carry out testing so close to the annual billing deadline. This could risk meeting the requirement of the first instalment date, with consequential implications for cash-flow at the beginning of the financial year.

Any additional comments of the Chief Financial Officer

None.

Any additional legal comments

None

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE CONSERVATIVE PARTY

The following sets our comments by officers 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.

Proposal

End all corporate, commercial and private events except already contracted events - £163,000.

Corporate Director's Comments

The Parks and Open Spaces budget is committed to contributing to the MTFP through the generation of additional income. The proposal would provide core funding for one year to take the place of this income.

Any additional comments of the Chief Financial Officer

This is assumed to be one-off additional expenditure for 2014/15, funded either from compensatory savings or bringing forward the use of general fund reserves.

Any additional legal comments

None

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE CONSERVATIVE PARTY

The following sets our comments by officers 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.

Proposal

Scrap bulk waste charges completely - £60,000.

Corporate Director's Comments

This is a decision of the Executive in the setting of fees and charges.

Any additional comments of the Chief Financial Officer

The proposal would represent a net ongoing cost of £60k, for which compensatory savings for 2015/16 and beyond will need to be identified.

Any additional legal comments

The Council is empowered by section 12(3) of the Control of Pollution Act 1974 to recover a reasonable charge from a person who requests removal of a category of waste prescribed in Schedule 2 to the Collection and Disposal of Waste Regulations 1988. Those prescribed categories include bulky waste. The setting of such a charge is an executive function.

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE CONSERVATIVE PARTY

The following sets our comments by officers 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.

Proposal

Maintain Council tax collection rate of 96.65% as achieved in 2012/13 and projected to be achieved in 2013/14, rather than rate set for 2014/15 of 96% - £431,574.

Corporate Director's Comments

The 96% target was set to take into account the effect of risks such as Welfare Reform and reduction in yield as a result of the introduction of the Local Council Tax Support Scheme.

A prudent collection rate has been used to take into account these risks to council tax collection.

Any additional comments of the Chief Financial Officer

None.

Any additional legal comments

None

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE CONSERVATIVE PARTY

The following sets our comments by officers 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.

Proposal

Faith buildings – £875,000 – remove funding for 2014/15.

Corporate Director's Comments

The Community Faith Buildings support scheme's purpose is to offer assistance to faith communities to repair, adapt and improve buildings in Tower Hamlets in which faith-based activities occur.

The scheme has nominally been split into three rounds with the expectation that grant awards will be made in each round.

The total grant reserved for allocation in Round three (2014/15) is £875,000. This sum is not contractually committed.

Any additional comments of the Chief Financial Officer

This would represent a one-off saving of £875k.

Any additional legal comments

Council should consider whether equality analysis is required before removing the scheme.

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE CONSERVATIVE PARTY

The following sets our comments by officers 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.

Proposal

Remove budget for Mother Tongue - £776,000.

Corporate Director's Comments

The full value of £776k is likely to be significantly eroded by redundancy and service decommissioning cost. There would be community cohesion issues that would need to be managed.

Any additional comments of the Chief Financial Officer

The proposal is assumed to be an on-going revenue saving of £776k per annum. However, there will be costs of decommissioning the service that would have to be funded from bringing forward the use of general fund reserves.

Any additional legal comments

Council should consider whether equality analysis is required before removing the scheme.

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE CONSERVATIVE PARTY

The following sets our comments by officers 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.

Proposal

Cut the budget for spin doctors and advisors - £502,000.

Corporate Director's Comments

The base budget for the Mayor's Office is £325k in 2014/15. There is an additional one-off budget for 2014/15 of £277k, funded from earmarked reserves. This brings the total budget for the Mayor's Office to £602k.

Under statute the Mayor has a right to a political advisor. Beyond that is a matter of Council's/Mayor's executive discretion under the constraints of the approved budget for the service.

Reducing the 2014/15 budget to £100k to fund a political advisor and the existing PA/Executive assistant would represent a £502k saving in 2014/15, but only a recurrent saving of £225k (i.e. for 2015/16 and beyond). Considerations will have to be made for the cost of making staff redundant. There may also be committed costs that will reduce saving in 2014/15.

Any additional comments of the Chief Financial Officer

The proposal is to reduce the budget for the Mayor's Office by £502k. This represents a one-off saving of £277k and an ongoing saving of a further £225k.

There is a high likelihood of additional redundancy costs which could be financed by bringing forward general fund reserves.

Any additional legal comments

None.

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE CONSERVATIVE PARTY

The following sets our comments by officers 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.

Proposal

Communications Budget – Reduce this excessive spending - £300,000.

Corporate Director's Comments

The Code of Recommended Practice on Local Authority Publicity (2011) has been incorporated into legislation without amendment and therefore provides a steer for local authorities on appropriate activity. Whilst the Code is clear that all communications activity needs to be evaluated from a value for money perspective it also states that councils should consider the best means of communicating information regarding community safety, health, crime prevention, race relations, equality and diversity issues.

A cut of £300k would result in significant reduced capacity for a department that currently receives in excess of 100 media enquiries per month, copy writes for the council's website and other council publications and ensures the public are informed about council services, policies and procedures.

It should be noted the communications budget is a net nil budget.

Any additional comments of the Chief Financial Officer

The proposal is assumed to be an ongoing revenue saving of £300k per annum. However, there will be costs of decommissioning the service that would have to be funded from bringing forward the use of general fund reserves.

Any additional legal comments

None.

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE CONSERVATIVE PARTY

The following sets out comments by officers 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.

Proposal

Trade Union Facility Time: Scrap taxpayer subsidy for political activities - £250,000.

Corporate Director's Comments

Historically, the Council has supported the system of collective bargaining and believed in the principle of solving industrial relations issues by discussion and agreement. As a democratic organisation we recognise the role of trade unions in supporting Council employees and we provide time off for trade union officials to support workers within the organisation on council business.

Under the Trade Union and Labour Relations (Consolidation) Act 1992, Trade Unions representatives have a legal right to reasonable paid time off for duties such as negotiating pay, terms and conditions, representing union members in disciplinary or grievance matters, health & safety matters, accompanying members to some meetings with their line managers and discussing issues such as redundancies. Without paid trade union officials, this role would, in the main, be undertaken by part-time shop stewards who, of necessity, may lack the experience and expertise possessed by full-time trade union officials.

Additionally, the successful implementation and operation of HR policies and procedures is dependent upon the collaboration of paid trade union officials, whose understanding of Council policies and employment legislation produces a far more informed and useful interaction than would otherwise be the case. Finally, allowing experienced representation for employees during (for example) Organisational Change or disciplinary proceedings minimises the possibilities of its actions being overturned in Employment Tribunal or other Courts of Law.

Note that the cost of Trade Union Salaries (c. £250,000 p.a.) represents about 0.25% of the total salary bill.

Any additional comments of the Chief Financial Officer

The proposal would deliver a full year saving of £250k but would not be fully achievable from the 1st of April 2014 due to the Council's HR organisational

change procedure, and associated one-off costs. The proposal would therefore require bringing forward the use of general fund reserves.

Any additional legal comments

The Council must continue to meet its obligations under the Trade Union and Labour Relations (Consolidation) Act 1992 to permit time off during working hours for carrying out specified trade union functions.

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE CONSERVATIVE PARTY

The following sets our comments by officers 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.

Proposal

Stop non-statutory translation of documents into foreign languages in order to promote our One Tower Hamlets objective and follow DCLG best practice - £246,888.

Corporate Director's Comments

Purely stopping non-statutory translation of documents into foreign languages will not in itself achieve the full £246k savings, as that figure represents total spend on interpretation and translation of documents, the majority of which relates to interpretation in face-to-face and telephone interviews with clients.

Not every person affected by Council services will be an English speaker. It is therefore highly unlikely that the Council could completely eliminate the requirement to translate documents and conversations for the benefit, for example, of non-English speaking members of the public who are affected by social care issues. These costs where necessary would need to be met from other Directorate budgets.

Any additional comments of the Chief Financial Officer

The proposal is likely require additional one-off costs, including redundancies and contract termination, which will have to be funded by bringing forward the use of reserves.

Any additional legal comments

Council should consider whether equality analysis is required before removing the scheme and whether consultation with affected communities may assist.

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE CONSERVATIVE PARTY

The following sets our comments by officers 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.

Proposal

Retain community grants budget, but reduce TH Arts & Events budget - £200,000.

Corporate Director's Comments

TH Arts and Event budgets funds the activities that generate income that helps support the community grant budget and the wider community arts programme. The budget reduction may result in the closure of the Brady Arts Centre, Kobi Nazrul and reduction in the TH Arts and Events budgets may jeopardise the community arts programme.

Any additional comments of the Chief Financial Officer

A reduction of £200k may require decommissioning costs in 2014/15 that would need to be funded from bringing forward the use of general fund reserves.

Any additional legal comments

Council should consider whether equality analysis is required before removing the scheme whether consultation with affected groups and the community would assist.

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE CONSERVATIVE PARTY

The following sets our comments by officers 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.

Proposal

Councillor Pensions – Scrap entirely, in line with DCLG guidance - £126,333.

Corporate Director's Comments

Pension contributions form part of the Members' allowances scheme, as agreed by the Council in accordance with Part 6 of the constitution.

Any additional comments of the Chief Financial Officer

This would represent an ongoing saving of £126k from the Council's corporate costs budget.

Any additional legal comments

The eligibility of elected councillors to participate in the local government pension scheme was introduced in 2003 by the Local Government Pension Scheme and Discretionary Compensation (Local Authority Members in England) Regulations 2003, which made relevant changes to the Local Government Pension Scheme Regulations 1997 to provide that eligible councillors could be active members of the Scheme. Those changes were expressly preserved by the Local Government Pension Scheme (Transitional Provisions) Regulations 2008 when the 1997 Regulations were revoked upon commencement of the Local Government Pension Scheme (Administration) Regulations 2008. The eligibility of elected councillors is also proposed to be preserved by the Local Government Pension Scheme (Transitional Provisions and Savings) Regulations 2013 when the Local Government Pension Scheme Regulations 2013 take effect on 1 April 2014.

Whether or not a councillor is an eligible councillor is determined by reference to the Local Authorities (Members' Allowances) (England) Regulations 2003. Under those Regulations, the Council may make a member allowances scheme which sets out: (a) which members of the authority are entitled to pensions in accordance with the Local Government Pension Scheme; and (b) whether the basic allowance or the special responsibility allowance, or both, may be treated as amounts in respect of which such pensions are payable.

The Council could, by varying its member allowances scheme, specify that members will not be entitled to participate in the scheme. Before doing so, the Council should consider the impacts of that decision.

Council should consider whether equality analysis is required before removing the scheme and whether consultation would assist with that.

In 2013, the Government consulted on whether to introduce changes designed to prevent access by local authority councillors to the Local Government Pension Scheme. The results of that consultation are not yet known, although previous policy statements suggest that legislative change may be forthcoming.

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE CONSERVATIVE PARTY

The following sets our comments by officers 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.

Proposal

Stop hiring out external venues for internal Council meetings and away-days (though enable Members to continue holding surgeries in the community) - £118,000.

Corporate Director's Comments

The majority of external venue hires are related to the provision of Council services. Amongst others, these services include health related events (drug and alcohol related advice clinics, healthy living etc.), services for the elderly and other vulnerable citizens, training days to ensure that service providers and partners are up to date with latest legislation, policies and professional service requirements.

There is very little hiring out of external venues for internal council meetings and away-days.

Any additional comments of the Chief Financial Officer

The proposal would require a general budget reduction of £118k from across Council supplies and services budgets.

Any additional legal comments

None

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE CONSERVATIVE PARTY

The following sets our comments by officers 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.

Proposal

Reduce printing needs by making better use of IT - £50,000.

Corporate Director's Comments

A large proportion of printing costs remain a statutory requirement. The proposal would mean notprinting the majority of non-statutory work.

A project is underway for both Council Tax and Business Rates to increase electronic contact and therefore reducing costs of printing, enveloping and postage.

Any additional comments of the Chief Financial Officer

The proposal represents an ongoing saving of £50k.

Any additional legal comments

None

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE CONSERVATIVE PARTY

The following sets our comments by officers 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.

Proposal

Abolish the Mayoral car - £42,000.

Corporate Director's Comments (None)

The cost of the Mayor's car is £42k inclusive of lease costs, petrol and the cost of the driver.

A reduction of £30k can be achieved in 2014/15, due to ongoing fixed costs, with a full year saving of the £42k from 2015/16.

Any additional comments of the Chief Financial Officer

Although the full year ongoing saving is £42k, for the reason set out above, the actual saving for 2014/15 is less. This difference can be financed by re-phasing the use of general fund reserves, given the overall package of savings proposals.

Any additional redundancy cost would also need to be funded from bringing forward general fund reserves.

Any additional legal comments

None

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE CONSERVATIVE PARTY

The following sets our comments by officers 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.

Proposal

End subscription to Randalls Parliamentary Service and Meltwater PR - £15,000.

Corporate Director's Comments

This saving is achievable, but would have significant opportunity cost implications of staff time.

Any additional comments of the Chief Financial Officer

The proposal would represent an ongoing saving of £15k.

Any additional legal comments

None

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE CONSERVATIVE PARTY

The following sets our comments by officers 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.

Proposal

End refreshments at Council meetings - £4,000.

Corporate Director's Comments

This proposal is achievable and would yield the projected saving of £4k p.a.

Any additional comments of the Chief Financial Officer

None.

Any additional legal comments

None

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OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE CONSERVATIVE PARTY (AMENDMENT 2)

The following sets our comments by officers 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.

General Comments of the Chief Financial Officer

The proposals are deemed to be cost neutral in 2014/15, although there is likely to be some additional one-off costs of the savings proposal, as outlined in the detailed comments. Ongoing savings from 2015/16 are estimated to be £225k per annum, compared to additional costs of £255k.

The difference, taking account of both one-off and ongoing costs, will need to be added to the savings target for 2015/16

General Comments of the Assistant Chief Executive (Legal)

When carrying out its functions (including when making budget decisions), the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010 (e.g. discrimination), 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. Some form of equality analysis may be required to ensure the Council acts consistently with this public sector equality duty and the level of such analysis will generally depend on the nature of the decision and how it will impact on individuals. In some cases consultation with affected people may be required. Some of the proposals outlined below may give rise to the need for analysis.

Where budget is made available for a particular proposal, implementation will generally be a matter for the executive.

Specific legal comments are set out below in relation to proposals which require them.

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE CONSERVATIVE PARTY

The following sets our comments by officers 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.

Proposal

Provide additional resources to identify and fix pot holes - £120,000.

Corporate Director's Comments

This proposal would provide two months borough wide coverage. The average cost per pothole repair is £83.

Any additional comments of the Chief Financial Officer

This is assumed to be one-off additional expenditure for 2014/15, funded either from compensatory savings or bringing forward the use of general fund reserves.

Any additional comments of the Assistant Chief Executive (Legal Services)

None

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE CONSERVATIVE PARTY

The following sets our comments by officers 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.

Proposal

Provide additional resources to clean up dog mess - £100,000.

Corporate Director's Comments

The resources could be used to fund either 3 additional sweepers or an extensive education programme for dog owners or a mixed of both.

Any additional comments of the Chief Financial Officer

This is assumed to be one-off additional expenditure for 2014/15, funded either from compensatory savings or bringing forward the use of general fund reserves.

Any additional comments of the Assistant Chief Executive (Legal Services)

None

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE CONSERVATIVE PARTY

The following sets our comments by officers 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.

Proposal

Fund extra ESOL classes - £46,000.

Corporate Director's Comments

The proposal is unlikely to eradicate the waiting list which has already come down from up to two years to eight weeks. The causes relate to issues like eligibility queries, reluctance of applicant to travel to vacancies in other parts of the borough and delays related to finding and payment for childcare. That said, the average cost per group of 15 learners for 140 hours provision is £17k, the sum provided will pay for an additional two classes.

Any additional comments of the Chief Financial Officer

This is assumed to be one-off additional expenditure for 2014/15, funded either from compensatory savings or bringing forward the use of general fund reserves.

Any additional comments of the Assistant Chief Executive (Legal Services)

None

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE CONSERVATIVE PARTY

The following sets our comments by officers 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.

Proposal

Add 6 Police Constables, on top of any planned increases in police numbers - £73,000.

Corporate Director's Comments

The proposed sum of £73k will not pay for 6 additional police constables as the MOPAC agreement has to be for a 3 year term. The minimum sum required for an additional 6 in year 1 is £73k but the total sum that would need to be committed over a 3 year period would have to be £582k.

Any additional comments of the Chief Financial Officer

The proposal is to provide for an additional 6 Police Constables under the current MOPAC agreement, at a cost in 2014/15 of £73k. This requires a minimum 3 years agreement that is estimated to cost a further £255k per annum to March 2017. The 2014/15 cost can be funded either from compensatory savings or by bringing forward the use of general fund reserves, but additional savings will have to be identified within the MTFP for 2015/16 and 2016/17.

Any additional comments of the Assistant Chief Executive (Legal Services)

None

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE CONSERVATIVE PARTY

The following sets our comments by officers 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.

Proposal

End all corporate, commercial and private events except already contracted events - £134,000.

Corporate Director's Comments

The Parks and Open Spaces budget is committed to contributing to the MTFP through the generation of additional income. The proposal would provide core funding for one year to take the place of this income.

Any additional comments of the Chief Financial Officer

This is assumed to be one-off additional expenditure for 2014/15, funded either from compensatory savings or bringing forward the use of general fund reserves.

Any additional comments of the Assistant Chief Executive (Legal Services)

None

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE CONSERVATIVE PARTY

The following sets our comments by officers 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.

Proposal

Cut the budget for spin doctors and advisors - £502,000.

Corporate Director's Comments

The base budget for the Mayor's Office is £325k in 2014/15. There is an additional one-off budget for 2014/15 of £277k, funded from earmarked reserves. This brings the total budget for the Mayor's Office to £602k.

Under statute the Mayor has a right to a political advisor. Beyond that is a matter of Council's/Mayor's executive discretion under the constraints of the approved budget for the service.

Reducing the 2014/15 budget to £100k to fund a political advisor and the existing PA/Executive assistant would represent a £502k saving in 2014/15, but only a recurrent saving of £225k (i.e. for 2015/16 and beyond). Considerations will have to be made for the cost of making staff redundant. There may also be committed costs that will reduce saving in 2014/15.

Any additional comments of the Chief Financial Officer

The proposal is to reduce the budget for the Mayor's Office by £502k. This represents a one-off saving of £277k and an ongoing saving of a further £225k.

There is a high likelihood of additional redundancy costs which could be financed by bringing forward general fund reserves.

Any additional comments of the Assistant Chief Executive (Legal Services)

None

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