

# OVERVIEW & SCRUTINY COMMITTEE

Tuesday, 10 February 2015 at 7.15 p.m., Committee Room one - THall

## SUPPLEMENTAL AGENDA

Item 3.1 Appendix 4 Proforma's detailing growth and savings announced at  
Cabinet

**This meeting is open to the public to attend.**

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For further information including the Membership of this body and public information, see the main agenda.

**3.1 General Fund Capital and Revenue Budget and  
Medium Term Financial Plan (Revised Proposals)**

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## **Appendix 4**

**Proforma's detailing  
growth and savings  
announced at Cabinet**

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**COMMITTED / UNAVOIDABLE GROWTH BID  
BUDGET 2015/16- 2017/18**

Item Ref. No:  
**GRO/**

**TITLE OF ITEM:** Tower Hamlets Multi-Faith Burial Ground

**DIRECTORATE:**

**SERVICE AREA:**

**LEAD OFFICER:**

**FINANCIAL INFORMATION:**

	Contingency / Budget allocation	Bid (Base is 2014/15 Budget)		
	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000
Employees (FTE)				
Employee Costs		30		
Other Costs		70		
Income				
To Reserves				
<b>TOTAL</b>		100		

\*Committed growth agreed on an annual basis, therefore future years are included as indicative figures to aid medium term financial planning

**DESCRIPTION & JUSTIFICATION**

Within the 2013-14 budget, the Council set aside £3 million of funding for the provision of a multi-faith burial ground. An Executive Mayoral decision (on 17 June 2013) subsequently authorised officers to enter into an agreement to acquire a site on a 125 year lease and to establish a management agreement for its operation.

Due to difficulties encountered in the planning process, it was considered unlikely that the original option will be able to progress, and rather than delay the process, Cabinet has agreed that the existing Agreement to Lease be terminated and alternative arrangements entered into at another existing cemetery.

As set out in the Cabinet report, it is anticipated that the Council will enter into an agreement that 200 burials will take place each year. The financial methodology proposed is that the Council will initially pay a capital premium to enter into the long-term leasing arrangements for the site. This funding will be financed from the existing capital provision. Depending upon the initial capital investment, the cemetery provider will levy a charge on the Council for each burial that takes place. The higher the initial lease premium, the lower the charge per burial.

The provider will initially levy a charge to the Council for each burial. As this charge is above the fee that Cabinet has agreed to charge to bereaved families there will be a net revenue cost to the Council, estimated at £70,000 per annum.

As outlined in the Cabinet report, the Council will need to manage the client function of the agreement. This will involve the review and approval of quarterly and annual accounts, together

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with on-going and reactive performance management at all levels. A sum of £30,000 is incorporated within this bid to cover these costs.

**1. RISKS AND IMPLICATIONS:**

**Why is this expenditure inescapable and what are the consequences/ risks if funding is not approved? If it is demanded provide details of the increase in client numbers and the basis of any projections.**

The proposal is based on maximum usage of 200 burial plots per year. Should the demand for burial spaces exceed this provision there is a risk that the budget will be insufficient to provide for the net cost of providing the service.

Under the proposed agreement the Borough agrees to purchase the rights to 200 burial plots per year. If the demand for burial places is less than this provision then the Council will still be committed to acquire the agreed level of plots so will potentially need to finance the acquisition ahead of the fees being recovered from families.

**2 VALUE FOR MONEY/EFFICIENCY**

**Provide evidence that the proposed expenditure will offer value for money. Where the expenditure is additional to existing budgetary provision for this service, evidence should also be provided of the value for money of the base provision. Evidence should be drawn from BVPIs, unit costs comparisons, benchmarking exercises or audit/inspection judgements**

There is a national shortage of burial spaces particularly in London. Private burial fees are very expensive and for many of the Borough's most vulnerable residents they cannot afford to purchase burial spaces privately. The proposed agreement procures a plot of land which can accommodate 3,000 burial spaces. Compared with private fees and the fees charged by other London Boroughs this agreement provides an affordable option which will be open to all residents of the Borough.

**COMMITTED / UNAVOIDABLE GROWTH BID  
BUDGET 2015/16- 2017/18**

Item Ref. No:  
**GRO/CLC/07/15**

<b>TITLE OF ITEM:</b>	Additional Police		
<b>DIRECTORATE:</b>	Communities, Localities and Culture		
<b>SERVICE AREA:</b>	Safer Communities	<b>LEAD OFFICER:</b>	Andy Bamber

	Contingency / Budget allocation	Bid (Base is 2014/15 Budget)		
	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000
Employees (FTE)				
Employee Costs				
Other Costs		200		
Income				
To Reserves				
<b>TOTAL</b>		200		

\*Committed growth agreed on an annual basis, therefore future years are included as indicative figures to aid medium term financial planning

**DESCRIPTION & JUSTIFICATION**

This proposal demonstrates the Council's continued commitment to addressing residents' key concerns around crime and ASB while counteracting cuts to local policing levels imposed at regional level.

**Growth Calculation:** [ Use this box to illustrate the empirical assumptions built into this bid and how they relate to historic/ developing trends]

According to discussions with the Metropolitan Police Service (MPS) £200,000 will buy 5 Police Constables and one Sergeant, based on a 2 year contract agreement.

**1. RISKS AND IMPLICATIONS:**

**Why is this expenditure inescapable and what are the consequences/ risks if funding is not approved? If it is demanded provide details of the increase in client numbers and the basis of any projections.**

For the 2014/15 MTFP the agreement is to retain PTF 1 (21 officers; 16 funded by LBTH and 5 by the MET) to the end of April 2015. PTF 2 (19 officers) will continue until the end of December 2015 at full capacity. With the introduction of the additional 20 officers under a new section 92 agreement called PTF 3, (Under PTF 3 the officers will be attached to each of the 20 electoral wards in Tower Hamlets) the number of police officers will peak to a total of 60 officers up to April 2015. The termination of PTF 1 at the end of April 2015 will mean

**COMMITTED / UNAVOIDABLE GROWTH BID  
BUDGET 2015/16- 2017/18**

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a drop of 21 officers from the period commencing May until December 2015. The conclusion of PTF 2 in December 2015 will mean a drop of a further 19 officer. The approval of PTF 4 will enable the purchase of an additional 1 sergeant and 5 PCs. If PTF 4 is introduced from April 2015 this will increase the number of officers to 66 in April reducing to 45 from May to December 2015 and further reducing to 26 officers being retained from January 2016 (PTF 3 a total of 20 officers and PTF 4 a total of 6 officers). However, this will be dependent on the availability of the Police to mobilise officers into the borough.

The key risks will be the ability of MPS to recruit and train additional police officers quickly

**2 | VALUE FOR MONEY/EFFICIENCY**

**Provide evidence that the proposed expenditure will offer value for money. Where the expenditure is additional to existing budgetary provision for this service, evidence should also be provided of the value for money of the base provision. Evidence should be drawn from BVPIs, unit costs comparisons, benchmarking exercises or audit/inspection judgements**

In so far as the MOPAC subsidy arrangements allow the Council to secure additional police at reduced rates this can be argued as being value for money.

That said the initiative does require the Council to divert resource previously spent on local services to the Police Service that has formerly been solely funded by the GLA at a time when local resources are under significant pressure and the GLA are reducing funding for the Police. Arguably this puts further pressure on already stretched local authority budgets and takes responsibility for funding a service which should be funded at regional level. This is likely to be unsustainable in the medium term.

However, with the Councils commitment to community safety, funding additional police officers through Council resources gives the authority greater influence in being able to direct these resources to Council Priorities. The MET police are the sole provider of policing services so there is no alternative option to increase the police presence on the street.

Ongoing commitments to use Local Authority funding to buy additional police will need to be kept under review.



<b>OPP TITLE:</b>	<b>Vacant Chief Executive Post</b>							
<b>DIR:</b>	<b>CE</b>				<b>REF: LPG-</b>			
<b>SERVICE:</b>	Corporate Management				<b>LEAD OFFICER:</b> Barry Scarr			
<b>TEAM:</b>	Corporate Management				<b>THEMES:</b>	Lean: Service Re-Design and Consolidation		
<b>SAVINGS OPPORTUNITY</b>	<b>BASE BUDGET £000</b>	<b>Net Savings 15/16 £000</b>	<b>Net Savings 16/17 £000</b>	<b>Net Savings 17/18 £000</b>	<b>Total Saving</b>	<b>Invest to Save 14/15</b>	<b>Start before June 2014</b>	<b>Is an EA Req?</b>
	238	200			200		No	
FTE Reductions		1			1			
<b>DETAILS OF SAVINGS OPPORTUNITY</b>								
<p>The London Borough of Tower Hamlets constitution designates the Chief Executive Post as the statutory Head of Paid Service. The post of Chief Executive is currently vacant, and the Head of Paid Service role has been carried out by the Director of Communities, Localities and Culture. Approximately £200k of the funding associated with the Chief Executive post is not being spent and is generating a saving in the current financial year.</p> <p>The Executive is in favour of the current arrangements being continued, with deletion of the post of Chief Executive from the staffing structure. The current arrangement and the appointment of the Head of Paid Services was agreed by Full Council in January 2013.</p> <p>The deletion of the post will mean that the budget associated with the Chief Executive will form part of the savings proposals from 2015/16 onwards. The proposal will permanently align the Head of Paid Service responsibilities with another Chief Officer post within the constitution. As a budget proposal, this will be subject to approval by Council during the February meeting cycle.</p>								
<b>IMPLICATIONS TO CONSIDER</b>								
including Risks, Audit, Financial, Communications, Legal, HR, Strategy, Procurement, ICT								
<b>EQUALITIES SCREENING</b>								
<b>TRIGGER QUESTIONS</b>	<b>YES/NO</b>	<b>IF YES - please provide further details on how this impacts on each equalities</b>						
Does the change reduce resources available to address inequality?	No							
Does the change reduce resources available to support vulnerable residents?	No							
<b>CHANGES TO A SERVICE</b>								
Does the change alter who is eligible for the service?	No							
Does the change alter access to the service?	No							
Does the change involve revenue raising?	No							
Does the change involve a reduction or removal of income transfers to service users?	No							
Does the change affect who provides the service, i.e. outside organisations?	No							
<b>CHANGES TO STAFFING</b>								
Does the change involve a reduction in staff?	No							
Does the change involve a redesign of the roles of staff?	Yes	Will permanently align the Head of Paid Service responsibilities with another Chief Officer post within the constitution.						

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