



Meeting of the

Tower Hamlets Council

Budget Amendments Pack

Thursday, 4 March 2021 at 7.00 p.m.

VENUE

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

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TOWER HAMLETS
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London Borough of Tower Hamlets

Council

Thursday, 4 March 2021

7.00 p.m.

5. **BUDGET AND COUNCIL TAX 2021/22**

3 - 22

To consider the proposals of the Mayor and Executive for the Council's Budget and Council Tax 2021-22, as agreed at the Cabinet Meeting on 27 January 2021.

- 1) Amendments proposed by the:
 - Conservative Group
 - Councillor Rabina Khan; and
- 2) Motion which would not amend the budget proposals - from the Labour Group



Agenda Item 5

Conservative Budget Amendment 4th March 2021

Proposed: Cllr Peter Golds

Seconded: Cllr Andrew Wood

Summary

This Council notes the difficulty of budgeting at this time given the high degree of uncertainty over our future income and costs, the Chancellor Rishi Sunak as a result did delay his own budget to the 3rd March 2021 but that Tower Hamlets Council still has a legal duty to produce a balanced budget and set a Council tax increase before the new financial year starts.

It is also clear that given the high degree of uncertainty that any decisions we make now will need to be reviewed on a regular basis, budgets will need to become a quarterly rather than a purely annual process. And that many of the assumptions in this amendment will need to be reviewed in the late summer once we have greater clarity over the impact of COVID. It is entirely possible that for some of the services we propose to reprove this may only mean a delay in job losses and service cuts but we believe that would be more equitably done once we have greater certainty about the future. But once Council services and jobs are cut they are hard to restore like the Riverside day care centre as an example.

It is also clear that despite the uncertainty that we have more money for the 2021/22 financial year than we expected last December when the budget was announced even if that money won't be available in subsequent years.

The fundamental question in this budget is whether or not we cushion the impact of that uncertainty for this financial year by using our reserves and the additional one-off income we have received while we wait to see the longer-term impacts of COVID and Brexit on the economy of Tower Hamlets as well as future changes to business rates and New Homes Bonus.

Twelve Labour Councillors have submitted a request to reverse eleven of the proposed savings or to make other changes for a total impact of £4,532,500 this financial year or £4.5 million in summary. As there is a high degree of overlap between their proposals and our intentions for the sake of simplicity and unity we propose to adopt their amendments as regards the revenue budget but add two additional amendments to the capex budget. Whether this is sustainable in future years remains to be seen and does also depend on Tower Hamlets not exceeding its budget in 2021/22.

The Labour Councillors amendment proposes that the Council tax increase drops from 4.99% to 4.5%, ideally we would have ourselves aimed for a lower increase given that inflation is currently 0.9% and that the ONS suggest that the underlying growth in wages is below 3%. But a 4.5% increase is better than 4.99%. Below is a reminder of recent Council tax increases.

Year	Inflation element	Adult Social Care element	LBTH Total Increase	CPI inflation
2016	1.99%	2%	3.99%	1.0%
2017	1.99%	3%	4.99%	2.6%
2018	0%	2%	2.00%	2.3%
2019	2.4%	1%	3.40%	1.5%
2020	1.99%	2%	3.99%	1.4%
2021 budget	1.99%	3%	4.99%	0.9%
2021 amendment	1.5%	3%	4.50%	0.9%

This additional cost in 2021/22 of £4.532 million can be paid for through a combination of;

- New Homes Bonus reserves forecast to be £39.6 million at the end of March 2021.
- Of the £17.6 million in additional New Homes Bonus confirmed for 2021/22, £10 million is already committed to be used but £7.6 million was to be moved to reserves increasing those to £46 million by March 2022.
- That we received more money from government in 2020/21 than we spent on COVID or lost income to COVID - forecast to be £7.5 million as at December 2020 (Period 9).
- Additional non-ring-fenced government grants for COVID support £12.98 million due in April, a one off.
- Additional government grants for Council tax support of £4.03 million, a one off.
- However offsetting this, the financial results for the 2020/21 year are forecast to be £2.9m worse than the approved budget.

Adding together these sums equals £29.21 million (£7.6 + £7.5 + £12.98 + 4.03 less £2.9 million) although clearly there will be additional COVID costs and some lost income in 2021/22. We have not added the additional government grants like the Next Steps Accommodation Programme as we believe these will be revenue neutral. Nor additional government commitments like the extension of the Sales, Fees and Charges income support scheme (SFC Scheme) to June 2021.

We therefore believe that spending an additional £4.5 million is not imprudent as it still leaves approximately £24.7 million (£29.2m less £4.5 million) to cover funding for additional costs, lost income or to move into reserves.

However this budget amendment can only work if Tower Hamlets Council sticks to its budget in future years, continuing overspends will result in service cuts next year. The Conservative group can only make amendments on the basis that the administration stays on budget.

However we wish to add two items to the capital budget, for a capital delivery team and 8,000 additional laptops for students to catch up with lost lessons, see below.

Factors that make budgeting in Q4 of 2020/21 so difficult include;

- The impact of COVID and whether or not vaccines allow us to return to a more normal life by the summer
- The financial threat to the economy of Working from Home especially but also Brexit if they reduce the demand for office space in Tower Hamlets as this could lead to substantial reductions in business rates income
- Whether London's population growth reverses or not
- The impact in future years of the business rates system changing
- The impact of a potential fair funding review
- The impact in future years of other changes to government grants
- The future of New Homes Bonus
- The salutary experiences of Croydon Council and its finances

Capital Budget amendment summary

- £1.6 million for 8,000 (or more) laptops by summer 2021 so that students have the means to catch up with their learning, the remaining 2,000 laptops we believe will be met by contributions from charities and additional government deliveries to supplement the almost 10,000 devices delivered already by the Department of Education.
- £1 million for a capital delivery team for 3 years to help speed up the delivery of new infrastructure, maybe through an external consultancy or via in-house contractors.

Laptops

The Council has identified that pupils need another 10,000 laptops to supplement the nearly 10,000 already supplied by government and charities. It committed £50,000 to this task in February 2021 plus 250 laptops. Given that it has forecast ear-marked reserves of £134.7 million at the end of this month as well as £228 million of capital reserves we believe it can do more. We believe a budget of £200 per device in the wholesale or second-hand market would buy a good quality device sufficient to allow pupils to catch up over the next few years. It would explicitly be spent on devices to allow pupils to catch up with lost learning and is therefore aimed at secondary school and older primary school children.

The laptops to be paid for from S106 (training funds), CIL or LIF or from the £1.9 million sale of Wayside Gardens in Canary Wharf ward or the additional COVID sums from government detailed above. The Council at various times has proposed spending CIL on IT devices.

Capital delivery team

Every year Tower Hamlets underspends its capital programme delaying the delivery of new homes and infrastructure.

For example this year the projected outturn on the capital programme forecasts an underspend of £63.5m on the General Fund programme and £18.6m on the Housing Revenue Account programme. In 2019/20 it was a £193 million underspend on the general fund. It was a £15.8 million underspend in 2018/19 on the general fund.

For example the new South Quay bridge is now at least three years behind schedule (and it was 21 years ago that the need for a 2nd bridge was first established), other bridges across the river Lea were never built despite getting planning permission.

But this year with inflation low, and other commercial projects on hold freeing up capacity it is an excellent time to invest in public capital projects. If inflation were to exceed 1% the value of our reserves will continue to erode as it has in the years prior to 2020 so let's accelerate the capital programme.

We propose an additional spend of £1 million to form a capital delivery team over 3 years to accelerate the delivery of projects. To be funded via Community Infrastructure Levy receipts or S106. The team may be contractors or spent on an external consultancy.

This Council amends the Mayor's budget as follows:

Reverse the following savings, reduce the Council tax increase and support food banks as follows:

Description	2021/22 Impact
Remove saving from the Ideas Store and Library Services (SAV/RES 003/21-22)	£1,600,000
Half the proposed saving of £569,000 from the re-provision of the existing day centres (SAV/HAC 003/21-22), including continuing to deliver services at Riverside, Stepney Way and Pritchard's Road	£284,500
Half the saving of £226,000 for VAWG, Hate Crime and Community Safety (SAV/HAC 005/21-22 so that there is no reduction in the quality of services available to those suffering these crimes	£113,000
Postpone the decision to decommission the Community Safety Response Team (SAV/HAC 006/21-22 and reinstate the budget of £512,000 for this service for the next two years	£512,000
Postpone the £450,000 Substance Misuse Service (SAV/HAC 008/21-22) savings for at least one year, until a full impact assessment is drawn up and presented to members.	£450,000
Delete the Review Telecare model saving (SAV/HAC 014/21-22)	£71,000
Delete the proposed end of the Health E1 Drug and Alcohol Service (SAV/HAC 015/21-22)	£102,000
Postpone to £650,000 saving previously proposed for the Support for Learning Service and accompanying loss of key teaching staff to	£650,000

minimise the disruption to children with Special Educational Needs at a time when their schooling has already been severely disrupted by the pandemic	
Award one-off grants of up to £100,000 to the voluntary food banks operating in Tower Hamlets so that they are better able to ensure no-one goes hungry in the East End this year	£100,000
Add a one-off top up of £150,000 to LBTH's own Residents Support scheme pot to help those who are unable to afford essential white goods, utility bills or who are in other priority debts	£150,000
Reduce the level of Council Tax increase in 2021/22 to 1.5 per cent instead of 2 per cent, making a total of 4.5 per cent	£500,000
Total additional costs general fund	£4,532,500
Additional laptops for pupils	£1,600,000
Capital delivery team	£1,000,000

Financial changes since the publication of the budget in December and updated in January.

MTFS agreed at the 27th January Cabinet was as follows.

Medium Term Financial Strategy 2021-2024 Summary

Appendix 1A

	2021-22 £'000	2022-23 £'000	2023-24 £'000
Total Funding Requirement	363,141	360,991	360,447
Total Funding	(361,886)	(341,870)	(349,564)
Budget Gap (excluding use of Reserves)	1,254	19,121	10,882
Reserves Contribution / (Drawdown)	(1,254)	(8,239)	-

However there have been a number of changes since the December budget was compiled which increase the funding for the first year of the MTFS.

Increases in funds available for 2021/22 publicised after December budget published

Financial Impact – positive numbers are good news - £ '000	Description	Source

£7,500	Surplus from 2020/21 year – excess COVID grants – one off	Forecast from Cabinet papers 3 rd March
£12,985	Non-ring fenced COVID grants from MHCLG to be paid April – one off	Government
£4,025	Additional Council Tax support – one off	Government
£24,510 total		

Decreases in funds available for 2021/22 publicised after December budget published

Financial Impact – negative numbers are bad news - £ '000	Description	Source
(£2,900)	Deficit in 2020/21 forecast to be larger than expected	
?	Additional COVID costs/ lost income in 2021/22 due to lockdown easing	
?	Business rate re-valuations	

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY COUNCILLOR PETER GOLDS

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

Comments of the Chief Financial Officer

The savings proposed for deletion are ongoing in nature and will, therefore, need to be funded from reserves on a temporary basis. Given this, the proposed deletions will add to the budget gap in future years.

The proposed investments are currently not budgeted for. Any one off investment will also, therefore, need to be funded from reserves and ongoing investment will need to be reflected in the next refresh of the Council's Medium Term Financial Strategy.

The proposed cost of the additional capital delivery team could be capitalised if costs directly relate to bringing specific assets into existence.

Any use of s106 funding will need to be in accordance with the terms and conditions of the agreements.

Council members need to be mindful that the continuing use of reserves to fund recurrent expenditure is not sustainable in the medium term and will require addressing should this proposal be approved.

Comments of the Monitoring Officer

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

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

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A COVID-19 Economic and Community Recovery Budget Amendment

Proposed: Cllr Rabina Khan

Seconded: Cllr Andrew Wood

The Council Notes:

The Impact of COVID-19 on Tower Hamlets Communities and Economy

1. Covid-19 has caused a health and economic crisis across the UK, but Tower Hamlets residents in particular have been disproportionately affected. It is our duty as elected councillors to support all of our residents and ensure that no one is forgotten or suffers unnecessarily.
2. Covid has had a hugely detrimental impact on communities, local businesses and the larger economy as well as individuals, and has laid bare existing inequalities. Although the furlough scheme helped to protect jobs, the most recent unemployment rates from the ONS still show that the unemployment rate is the highest figure for five years (1.74 million people nationwide).
3. The pandemic has placed immense pressure on vital services such as mental health and social care, and that homelessness, unemployment, domestic abuse, financial hardship and poverty has increased.
4. The budget amendment seeks to protect vital lifeline services communities and invest into a Covid economic recovery plan for the future.

The Council Notes:

Labour's Budget Cuts to People and Communities

The Labour Mayor John Biggs' budget outlines serious cuts to people at a time of extra need.

1. Ideas Stores and Libraries SAV / RES 003/21-22: Existing £1m saving and new £600k saving, including the closure of Cubitt Town Library and a reduction of hours at Bethnal Green and Bow Libraries.
2. Substance Misuse Service reductions SAV / HAC 008 / 21-22: £450k reduction in services and ending the Community Alcohol Project.
3. Homelessness Reduction Service; and Health E1 Homelessness Drug and Alcohol Service: Of £102k, with service to close.
4. Adults Transport Savings SAV / HAC 002 / 21-22: £200k; a change to how the service is provided and a reduction of activity linked to day centre changes.
5. Day Opportunities - day centres redesign SAV / HAC 003 / 21-22 (£568k closure of two centres and redesign of service)
6. Adult healthy lives' services locality-based model SAV / HAC 010 / 21-22: £142k end of service.
7. Young People's Wellbeing Service – recommissioning savings SAV / HAC 012 / 21-22: £70k (£18k in 20221-22 and a further £52k in 2022-23 for full year effect).
8. Decommission the Royal London Hospital Violence Reduction Project Health, Adults & Community SAV / HAC 007 / 21-22:(£102k decommissioning of this project.

The Labour administration will make a total saving proposal: £3.234m from cutting vital services to children, families, older people, disabled people and people struggling with drug and alcohol problems.

The Council Notes:

1. That the Mayor has proposed an increase of Council Tax by 4.99%, which is 0.1% behind 5%, but failed to keep the borough clean during the pandemic.
2. The Mayor's previous budget savings proposals, including cuts to community services, have failed to deliver the savings envisaged.
3. That the Council has now appointed three Accountants to help with closing the council's accounts.
4. That the Council is forecasting an end to New Homes Bonus funding from 2023/24. It would be reasonable to question, therefore, the estimated £3.8 million in 2022/23, and nothing in 2023/24. This would appear to set the benchmark for additional cuts to essential frontline services between 2022-2024.
5. Reserves are forecast to be £134.7m, the General Fund balance £20m, CIL £64.7m and s106 £105.2m, all forecast balances as at 31/3/21.
6. Liberal Democrat Councillor Rabina Khan has been calling for a life science research centre in Tower Hamlets to replace the European Medicine Agency and a bid for City Status, given that the Queen's Platinum Jubilee will be in 2021. With the new location of the European Bank of Reconstruction and Development in the borough this shows that there is interest for investment in the area generating income. The increase in footfall from the staff employed there will be good for local businesses.
7. The Government announced on Friday 19 Feb 2021 that the Advanced Research and Invention Agency (ARIA) will be led by scientists who will have the freedom to identify and fund transformational science and technology at speed.
8. Liberal Democrat Councillor Rabina Khan has called for Tower Hamlets to put in a bid for City Status for 2021 and work towards for Royal Borough Status in advance of the Queen's Platinum Jubilee and would provide a new era for Tower Hamlets in a post Brexit and COVID-19 era.

Tower Hamlets Reserve, Generated Income, and Incoming Funds

This Council welcomes:

1. Tower Hamlets Council received the Government's Covid-19 Grant Aid to the borough amounting as follows:
 - a. Tower Hamlets has spent £55 million of the £63 million allocated Covid-19 Grant Aid to the borough.
 - b. Tower Hamlets has an estimated surplus of £7.5 million of unspent aid by the end of this financial year.

- c. Tower Hamlets Council is set to receive a further £13 million of COVID-19 grant next financial year from the Government.

This Council amends the Mayor's budget as follows:

1. Putting Emotional Well-Being at the heart of Tower Hamlets Communities
 - Delete the proposed savings of £568k from the re-provision of the existing day centres (SAV / HAC 003 / 21-22), including continuing to deliver services at Riverside, Stepney Way and Pritchard's Road
 - Delete the Review Telecare model saving of £142k (SAV / HAC 014/21-22)
 - Delete the proposed end of the Health E1 Drug and Alcohol Service saving of £102k (SAV / HAC 015/21-22)
 - Delete the proposed £650k savings for the Support for Learning Service to prevent the loss of crucial teaching staff and reduce the disruption to SEND children, whose learning has already been severely disrupted by the pandemic.
 - Establish a specific council Foodbank grant of up to £200k for charities and voluntary agencies operating foodbanks in Tower Hamlets to ensure, as far as possible, that no one goes hungry in the East End over the next two years. This will give people a reasonable amount of time to try and rebuild their lives.
 - Develop a Digital Inclusion grant of £100k for schools and families to access online learning effectively. The pandemic laid bare that many children were without laptops and the inability to access on learning.
 - Adults Transport Savings (SAV / HAC 002 / 21-22) states that: "It is not clear what savings have been identified as part of this work and which are apportioned to Health, Adults and Communities. Further work will need to be done to ascertain the corporate savings." This uncertainty is not helpful for people who rely on this transport.
 - Protect Adult healthy lives' services locality-based model SAV / HAC 010 / 21-22
 - Protect Young People's Wellbeing Service SAV / HAC 012 / 21-22.
 - Delete the proposed savings for decommissioning of the Royal London Hospital Violence Reduction Project Health, Adults & Community SAV / HAC 007 / 21-22.
 - Delete the proposal to make savings from Ideas Stores and Libraries SAV / RES 003/21-22: Existing £1m saving and new £600k saving, including the closure of Cubitt Town Library and a reduction of hours at Bethnal Green and Bow Libraries.

The budget gap caused by deleting the above savings could be covered from the promised £13 million un-ringfenced Covid grant due next year. This will protect services for the next 3 years whilst a Covid economic recovery plan is actioned to generate income for the borough.

2. Investing in Re-building a Stronger, Sustainable, and Greener Tower Hamlets Economy

- That a Tower Hamlets cross-party working group lobbies the Government to locate the ARIA Agency within Tower Hamlets and work towards a bid for City Status for the borough
- With plans for the European Reconstruction and Development Bank to be located in Tower Hamlets in 2022, together with the possibility of ARIA also being situated in the borough, and with the Queen's Platinum Jubilee to be celebrated in 2022, Tower Hamlets is in a unique position to bid for City Status and work towards Royal Borough Status. The funding for this piece of work should be 75K as part of an investment to generate a stronger economy programme
- Tower Hamlets seeks to build stronger partnerships with Barts NHS and Queen Mary University as part of part of a greener environment. Health and educational institutions are the ideal partnerships to promote and accelerate a more sustainable environment that will benefit everyone, having a positive impact on both mental and physical wellbeing. 25k to be allocated for development work.
- Three million people were unable to access the Government's scheme for self-employed people due to the restrictions – To increase £200k to the Resident Support Scheme to support self-employed people unable to access support.

3. Housing & Standing up for Leaseholders Trapped by the Cladding Crisis

1. The Council should set up an online forum where they can share protocols openly with leaseholders and keep them updated on funding and remediation progress, something that hasn't yet happened. Council assets should be maximised for housing and community land trusts through a Tower Hamlets Housing Cooperation. An allocation of 100k should be set aside for a team to work with leaseholders affected by the cladding scandal, which can be funded from NHB Funds.
2. An increase of additional planning officers is vital to safeguard CIL monies – 70k planning officers.
3. The Council should investigate how the council's pension fund can be used to invest into building homes in the borough. Other councils have used money from their pension funds to build new homes. Islington Council, for example, is using £150m from its pension fund to build hundreds of new social housing.
4. A Tower Hamlets Housing Cooperation will be committed to building and developing council-owned homes on council-owned land. The first programme of assets that can be developed to build council homes are as follows:
 - Southern Grove
 - Albert Jacob House
 - Commercial Road Car Pound
 - Jack Dash House

The above council-owned assets are no longer needed for funding of the Civic Centre development. The use of RTB receipts with additional borrowing can deliver up to up to 1,000 homes across the four sites.

A Safer Tower Hamlets

- As we prepare for lifting lockdown the borough must invest in keeping our borough safe from drugs, crime and violent crime.
- Delete the proposed savings for VAWG, Hate Crime and Community Safety (SAV / HAC 005/21-22) so that there is no reduction in the quality of services available to victims of these crimes
- Reverse the decision to decommission the Community Safety Response Team (SAV / HAC 006/21-22) and reinstate the budget of £512k for this service annually
- Delete the £450k Substance Misuse Service (SAV/HAC 008/21-22)
- Delete the proposed savings for decommissioning of the Royal London Hospital Violence Reduction Project Health, Adults & Community SAV / HAC 007 / 21-22.

The budget gap caused by deleting the above savings could be covered from the promised £13 million un-ringfenced Covid grant due next year. This will protect services for the next 3 years whilst a Covid economic recovery plan is actioned to generate income for the borough.

Engaging All Communities in Addressing Air Pollution and Climate Change

- Expand the provision of live air quality monitor sensors across the borough, as the four sensors we have are not in places where people live, work or study, but either in parks or right next to main roads. The Council's own Love Your Neighbourhood app routinely shows air quality in the borough as being low (low meaning low levels of pollutants)
- Ensure that pink recycling bags are consistently delivered to homes, especially to people and families living in cramped conditions in high tower blocks, older and disabled residents and those unable to access pink bags. To work with schools where pink bags can be accessed by local families.
- Tower Hamlets Council recognises that in the UK and elsewhere, climate activism, planning and engagement has often failed to include poorer and BAME communities and people with access and mobility requirements, who may face the worst impacts of both environmental damage and measures imposed to curb climate change
- Therefore, it is imperative that any public engagement activity should include empowering these communities to play a central role in agreeing the changes needed to tackle the climate crisis, particularly locally.
- Deliver a programme of community climate change engagement to build awareness, support and empower BAME Groups to engage with the projects around climate change. Such examples could be through an Interfaith Calendar, a Ramadan Calendar, links to how fasting relates to the concept of remembering not to waste, and Parental Engagement Projects within schools through Parents Matter.
- To ensure LTNs are delivered in the borough through mitigating equality risks.

The above work to address Air Pollution and Climate Change can be delivered through funding Section 106 funds that relate to the Green Environment. Funding of £100k must be allocated in the first year.

OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY COUNCILLOR RABINA KHAN

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

Comments of the Chief Financial Officer

The savings proposed for deletion are ongoing in nature and will, therefore, need to be funded from reserves on a temporary basis. Given this, the proposed deletions will add to the budget gap in future years.

The proposed investment is currently not budgeted for. Any one off investment will also, therefore, need to be funded from reserves and ongoing investment will need to be reflected in the next refresh of the Council's Medium Term Financial Strategy.

Any use of s106 funding will need to be in accordance with the terms and conditions of the agreements.

Council members need to be mindful that the continuing use of reserves to fund recurrent expenditure is not sustainable in the medium term and will require addressing should this proposal be approved.

Comments of the Monitoring Officer

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

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

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Labour Group motion – Budget Full Council

Proposer: Mayor John Biggs

Seconder: Cllr Candida Ronald

1. This year's budget has been particularly challenging . A decade of austerity, increasing demand and the coronavirus pandemic have hit our council hard and made balancing the books ever more difficult.
2. However, despite Covid-19 and the significant uncertainty about our future funding position, the draft Budget protects frontline services and prioritises those in the greatest need including:
 - **£3m to fund Free School Meals for all primary school children**, one of only a small number of councils in the country to do this.
 - Additional funding for **police officers** and our council operated **ASB service**.
 - Our **Tackling Poverty Fund** providing financial support and advice for our most vulnerable residents.
 - Capital funding for hundreds of **new council homes** and **three new secondary schools**.
 - Protection for all of our **Children's Centres, the Brady and Kobi Nazrul centre**.
 - A **100% council tax discount for the poorest in our community**, one of the only places in the UK to offer this.
 - The **Local Community Fund** and **Small Grants fund** as well as the continuing range of welfare rights services we fund, Linkage Plus services, carers emergency service and carers respite services.
 - In addition to these highlights we will maintain a high level of universal services and local presence across our borough.

This Council believes:

1. Covid19 has been a catastrophic event in the life of Tower Hamlets communities, and while much of the support people will need must come from Government, we should look at what we can do to help restore local well-being, and that we should also look to learn from our Covid-19 experiences how to create a more caring and people-centred approach to providing services and supporting people in our community. With the right focus this can be transformational.
2. The flexibility created by increased New Homes Bonus income, plus some possible use of additional Covid-19 funds, means we can make additional one-off investment to fund an ambitious package of support to kickstart our community's Covid-19 recovery, despite the challenges ahead and the need to resolve the problem of overspending and unfunded growth in our core budgets, requiring us to continue with a programme of savings.
3. The financial outlook facing the council continues to be extremely uncertain with significant risks ahead including the economic impact of Covid-19, business rates and council tax income reductions, undelivered savings, the business rates reset, New Homes Bonus reform,

the Fair Funding Review and 'levelling up' agenda. Much of this not currently reflected in the MTFS.

This Council Resolves:

1. That plans are drawn up to establish a Covid-19 Recovery Fund, initially of £3m, to provide funding to kickstart our community's recovery from the pandemic over the next 12-24 months and help to ensure we build a brighter post-pandemic future for our borough, for example including:
 - Targeted funding for initiatives to support people back into work or training.
 - Health initiatives to build on the increased public awareness of healthy living
 - A new grants fund for community organisation led projects to help revitalise and build community cohesion as we emerge from lockdown.
 - Continued additional support for foodbanks during the recovery phase of the pandemic.
 - Top-up funding for our Resident Support Scheme and Tackling Poverty work.
 - Additional commissioning from the new adult day centre hub focused on projects for older and vulnerable residents to break down isolation and tackle loneliness which has increased over the pandemic.
 - Support, alongside Government funded measures, to mitigate the educational impact of school closures.
 - Covid-19 recovery sport and activities for families and young people over the summer.

2. Having listened to the public consultation we note the Cabinet's decision to retain a five day service at Bethnal Green Library, Cubitt Town Library and Watney Market Idea Store including Saturdays, significantly increasing the proposed opening times and allowing residents more flexibility around when they visit their local library once they are able to open again.