

## Conservative Budget Amendment

Proposed: Cllr Andrew Wood

Seconded: Cllr Peter Golds

This Council supports:

- A 2% Council tax increase (not 3.4%)
- That greater resources be:
  - Allocated to areas that will improve the quality of life for residents and reduce Anti-Social Behaviour (ASB)
  - Allocated to areas that will generate more savings or increase income in the future allowing us to spend more on services in the future
  - Allocated to area that will more quickly deliver the infrastructure our growing population needs
- That less resources be spent on those areas that do not directly benefit the community as a whole
- A reduction in the £22.3 million of reserves that will be lost through inflation over three years

This Council believes that Council tax increases should be more explicitly tied to wage increases. That Council tax increases should not exceed wage growth and ideally be less than average wage growth so that Council tax becomes more affordable over time.

This Council notes that:

- That London wage growth last year was at least 2.6% although nationally wage growth was 3.5% (Median full-time weekly earnings increased 3.5% in 2018 compared with 2017)
- That this April the government are introducing the following changes in the National Minimum Wage.

Year	25 and over	21 to 24	18 to 20	Under 18	Apprentice
April 2018 (current rate)	£7.83	£7.38	£5.90	£4.20	£3.70
Apr-19	£8.21	£7.70	£6.15	£4.35	£3.90
Increase year on year	4.9%	4.3%	4.2%	3.6%	5.4%

The London Living Wage is increasing from £10.20 to £10.55 an hour this April, a 3.4% increase.

With inflation now at 1.8% a 2% Council tax increase we believe will ensure that the Council receives a real cash increase but that it declines as a % of resident's income making it more affordable.

With such large year on year wage increases our residents will be enjoying above inflation pay increases ensuring that they are benefitting financially.

This Council notes:

### **The need to spend money before it is lost to inflation**

This Council notes that the Council has substantial reserves and that we are currently earning less interest than is lost to inflation which means that over time our reserves are declining in value.

Below is an estimate of those losses:

	<b>31-03-2018</b>	<b>31-03-2019</b>	<b>31-03-2020</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Total value of reserves	<b>515.7</b>	<b>492.4</b>	<b>414.4</b>
Loss in Reserves value due to inflation	<b>(6.8)</b>	<b>(10.1)</b>	<b>(5.4)</b>

(The General Fund working balance should not fall below £20 million)

We can reduce those losses by earning more from our investment, a process currently underway. But we can also speed up the construction of the infrastructure our growing population needs spending the money before inflation impacts its purchasing power.

We have therefore allocated £273,396 to increase the size of the Infrastructure Planning Team. We also believe it would be appropriate to spend Community Infrastructure Levy & S106 funds on programme delivery teams.

For example, Be First, the Barking and Dagenham's Council urban regeneration company, was advertising last year for contractors to join a brand-new development framework, estimated to be worth £1bn over the next four years which will help deliver the infrastructure required to support the growing population in that Borough. There is much more development happening in Tower Hamlets but we have no equivalent.

Locally the GLA/TfL/LBTH Isle of Dogs and South Poplar Development Infrastructure Funding Study (DIFS) finalised in November 2017 had these forecasts of monies that needed to be spent on the Isle of Dogs and South Poplar. Very little of this money has been spent except for some work on the new South Quay pedestrian bridge. This work should be prioritised based on the recommendations from the GLA.

<b>Category</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/2021</b>
<b>£'000</b>				

Utilities	£2,728	£11,088	£8,838	£11,838
Transport & Local Connections	£139	£9,806	£18,756	£23,830
Education	£28,946	£28,946	£28,946	£28,946
Fire, Ambulance, Police,	£2,930	£0	£0	£0

CCTV				
Health	£1,526	£1,526	£1,526	£1,526
Leisure	£4,764	£4,764	£4,764	£4,764
Community facilities	£738	£738	£5,411	£5,411
<b>Total Low</b>	<b>£41,771</b>	<b>£56,868</b>	<b>£68,241</b>	<b>£76,315</b>

#### Priority of Spending - Low growth option

<b>Critical</b>	<b>£2,450</b>	<b>£17,310</b>	<b>£20,310</b>	<b>£18,185</b>
<b>Essential</b>	<b>£35,974</b>	<b>£39,141</b>	<b>£47,314</b>	<b>£55,313</b>
<b>High</b>	<b>£3,347</b>	<b>£417</b>	<b>£417</b>	<b>£917</b>
<b>Desirable</b>	<b>£0</b>	<b>£0</b>	<b>£200</b>	<b>£1,900</b>
	<b>£41,771</b>	<b>£56,868</b>	<b>£68,241</b>	<b>£76,315</b>

This Council believes it is better to be building new schools, GP surgeries, playgrounds, leisure facilities, community centres, youth centres then having money sitting in the bank losing value.

#### Communications

In total we spend more than £604k on the budget for the salaries of the External Communications team alone. This is more than we spend on the ASB and CCTV teams combined, this is the wrong priority.

However, we propose to increase the budget of the social media team by £50k to reflect the importance of communicating with residents rather than the external press.

#### Police, ASB & Security & Out of Hours Service improvements

We believe that there needs to be a substantial investment in services that improve the safety of residents and or their quality of life. We propose to increase funding as follows:

Extra police funding	£100,000
Youth centres	£100,000
Out of hours service increase	£150,000
CCTV	£201,093
Community Safety Team	£128,050
ASB Investigation Officers	£100,000
	<b>£779,143</b>

The out of hours service increase should allow 7 day a week working when added to the proposed budget increase.

## **Fireworks & Celebration**

Bonfire night is held on the border of Hackney but currently LBTH pay for all of these costs. This is iniquitous, that Hackney residents attend but do not contribute. We propose that this year Hackney pay the full cost for a change and that in future years we share the costs equally of this event. If they think this event is valuable, we are sure they will agree.

## **Inflation**

When the budget was written inflation was 2.4%, in January 2019 it fell to 1.8%. This should give us some leeway in our budget.

We have not budgeted for any benefit though.

## **Language**

The Casey review into “opportunity and integration” said on page 94

“6.51. In relation to integration and economic success, one factor that stands out strongly as a barrier to progress is proficiency in English. English language is a common denominator and ensuring everyone is able to speak English enjoys strong public support. Lack of English skills presents a clear barrier to social and economic mobility – going for a job interview, writing a letter to a bank or understanding the country you live in.”

In Tower Hamlets 27% of adults of Bangladeshi origin cannot speak English well or at all.

We therefore propose an increase of £300,000 in funding for English for Speakers of Other Languages (ESOL). This will be provided by the Community Language Team.

Given that at school pupils are able to learn a variety of modern languages we believe that it is unnecessary for the Council to fund the teaching of another language after school. We therefore propose to remove this funding.

## **Commercialisation**

For some years now we have discussed launching a strategy on finding new ways of generating an income to help cover the cost of Council services. No strategy has resulted. Although the monies generated from filming show what is possible.

By contrast Barking & Dagenham Council have agreed to hold the lease on a new Travelodge hotel to be built only yards from the Tower Hamlets Town Hall. Another example Spelthorne Council for example have commercial assets valued at over £1 billion generating an income for the Council.

The budget includes £100k for a new team to start developing an income strategy for Tower Hamlets.

## Joint Working

With a few exceptions like Audit and Animal Wardens LBTH has generally not shared services with other local authorities or public bodies.

We propose a budget of £60k to help investigate options.

## Special Responsibility Allowances

There was a substantial increase in SRA Allowances last May which substantially increased the number of Councillors who received an SRA.

It is not clear that those increases have contributed to any improvements noticeable to residents of LBTH. We therefore propose to remove those allowances and to budget for the Conservative group proposal submitted last May which will save £93k.

## By-elections

We believe that it is prudent based on the information we have to budget for more by-elections and a referendum during the next year.

Cost £30k

This Council amends the Mayor's budget as follows:

Implement the following reductions in expenditure:

Description	2018/19 Impact	Detail
Smoking cessation	£1,300,000	Transfer of budget internally to mental health, given wide availability of information on how to quit smoking
Communication budget	£151,093	Reduction of staff in the external Comm's team who deal with external journalists, this does not directly benefit residents
Mother tongue/Community Language Support	£684,000	Remove budget for Mother Tongue / Community Language Support – move £300k into ESOL
SRA Allowance	£93,300	Reduction of SRA Allowances to reflect proposal made by Conservative group last May to better match allowances
Bonfire night	£120,000	Until agreement sought to share costs with Hackney Council
One Tower Hamlets	£327,000	Reduction in external payments budget for One Tower Hamlets
Trade Union Facility Time	£258,000	Removal of funding for full time staff
Celebration events	£100,000	Removal of four celebration events
Town hall	£31,000	Removal of subscriptions & use of external

subscriptions & external venues		venues
Non-statutory translation	£82,000	Stop non-statutory translation of documents into foreign languages in order to promote cohesion, and follow DCLG best practice (see ESOL below)
Media monitoring	£25,000	Ending external cost of monitoring THC news, this can be got for free
Staff costs	£1,078,746	25% reductions (or internal transfers) in various departments including Whitechapel Vision, Executive Mayor, Economic Development, Rapid Response, Local Plan team in 2nd half of year.

2. Implement the following increases in expenditure:

Description	2018/19 Impact	Detail
Mental Health	£1,300,000	Transfer from smoking cessation
Police extra funding	£100,000	To be left to Borough Commander whether to invest in additional officers, stations or overtime allowing SNT's team to do more night work
Youth centres	£100,000	To increase funding for youth centres
Community Safety & ASB Investigation	£228,050	Extra resources in the teams that deal with community safety and ASB
CCTV control staff	£201,093	Extra operators to staff control room
Out of hours	£150,000	To make a 7-day service not just 4 days a week
Joint working project	£60,000	Project to investigate opportunities to reduce costs by working more closely with other Boroughs
Commercialisation team	£100,000	Team look at generating other income sources
Digital communications	£50,000	Extra resources for the social media team to improve communication with residents
By-election & referendum costs	£30,000	Prudent reserve in case there are more by-elections in TH
ESOL classes	£300,000	Fund extra ESOL classes in order to promote cohesion in the borough and employability
Infrastructure Planning	£273,396	Increase in budget