

Mayor's Foreword to the Council's Budget Report

We publish this year's draft Budget against a backdrop of massive uncertainty.

However we can assume that there will be further funding pressure for local government.

Ten years of austerity, as well as the adult and children's social care crisis have already left councils across the country facing an ever tighter financial squeeze. This is particularly the case in Tower Hamlets where our population has continued to grow faster than almost anywhere else in the country. Demand for our services is increasing. Funding from central Government has failed to keep pace.

The election told us very little about the new Government's plans for local councils. Big questions like how they plan to address the social care crisis remain unanswered.

As a result our Budget this year is focused on 2020/21. Indicative figures are included for years two and three highlighting the scale of the challenge. The numbers are clear though, the Government's austerity drive is far from over and it will hit our council hard. In 2021/22 for example Government plans so far will see the amount Tower Hamlets get to keep from Business Rates fall by an estimated £16m. We will lobby against such a precipitous fall and will of course fight against Government cuts which stretch our capacity to meet statutory demands for services but we must be prepared for further difficult decisions in years to come.

Tower Hamlets remains one of the most popular places in the country to live with more people moving to live here than almost anywhere else in the country. It is a testament to our vibrant, welcoming community but it also drives significant increases in demand for our services. The massive population growth has meant over recent years we have had to invest an extra £8m in adult social care and a further £2m in children's social care.

We are committed to supporting our most vulnerable residents to access the best possible care and I am deeply proud that earlier this year Ofsted rated our Children's Services as 'Good' recognising the 'remarkable progress' we have made. That is why this year's Budget invests an extra £7.2m in support for children with social care or special educational needs or disabilities. On top of this we plan to spend an extra £12.4m supporting vulnerable adults between 2020 and 2023.

Our *Your Budget, Your Future* consultation saw around 2,000 people share their views on what the council should prioritise. The responses showed wide support for our approach with children's services, education and supporting vulnerable children identified as the most important focus for the council.

Over recent years we have focused on saving money by making our services more efficient, embracing technology to make things easier for residents and reducing our back-office costs. Many of our services are now also available online, saving us money and making it far easier for residents to make requests on the go if they want.

By becoming a leaner and more effective council we have been able to protect services like our Idea Stores, leisure centres, libraries and children's centres and invest in measures to improve our borough and protect our most vulnerable residents.

At the same time, we will continue to invest to deliver the promises we made to local people:

- Funding additional police officers to keep our streets safe and tackle drug crime.

- Delivering 2,000 new council homes and thousands more new affordable homes.
- Providing free school meals for all primary school pupils in the borough.
- Cleaning up our streets with a new in-house waste service.
- Protecting the poorest with 100% council tax discount and our Tackling Poverty fund.
- Supporting thousands more local people to develop new skills and gain employment.
- Transforming the way our neighbourhoods work through our Liveable Streets programme to cut down on rat running, improve air quality and make our roads more pedestrian friendly.

We have an ambitious plan for our borough but we have to be honest about the financial challenge we face. Ultimately our capacity can only be funded within our resources.

The *Your Budget, Your Future* consultation showed that over half of those surveyed felt the council should reduce spending on temporary agency staff as well as generating more commercial income. Around half also said the council should continue to make services more efficient in order to save money. We agree, and this Budget includes new measures to reduce our spending on temporary staff and step up our drive to increase income and efficiency.

While making our services more efficient will help, that alone will not meet the vast holes in our budget left by years of Government cuts and demand increases. Almost a decade of austerity has made easy savings hard to find.

That is why, to protect the services local people tell us they value, we have taken the difficult decision to recommend an increase in council tax of 1.99% as well as an additional 2% increase which government expects us to raise to support adult social care. In total this would mean an extra 78p a week on the average property's council tax bill. To protect the most vulnerable we will continue our 100% council tax discount for those on the lowest incomes. After 4 years of council rents being reduced we are proposing a small increase to protect investment in stock and repairs.

The uncertainty of the new Government and the potential for further cuts to council Budgets is a major risk for our community. My colleagues and I will continue to campaign for the Government to give us the funding we need to deliver the high-quality services local people deserve.

Despite the financial challenge, this is a Budget which continues to deliver on our promises to local people. A Budget which safeguards frontline services and invests substantial amounts in protecting our most vulnerable.

John Biggs

Executive Mayor