

**LONDON BOROUGH OF TOWER HAMLETS**  
**CABINET 9 FEBRUARY 2011**

**Advice and comments from the Overview and Scrutiny Committee held on Tuesday 8 February, 2011 in relation to Budget and Policy Framework Matters**

**Agenda Item 10.1 & 10.2**

**General Fund Revenue Budget & Medium Term Financial Plan 2011/12 – 2013/2014 – (CAB 086/101) & 2011/12-2013/14 Capital Programme (CAB 087/101)**

The Overview and Scrutiny Committee have considered the budget proposals at the following meetings this year:

3<sup>rd</sup> August 2011 - Budget 2011/12 – 2013/14 – Resource Allocation and Budget Review

11<sup>th</sup> January 2011 – Draft General Revenue Budget and Medium Term Financial Plan 2011/12 to 2013/2014 & 2011/12-2013/14 Capital Programme Report (Informal meeting)

17<sup>th</sup> January 2011 – Budget Scrutiny Session

8<sup>th</sup> February 2011 – General Revenue Budget and Medium Term Financial Plan 2011/12 to 2013/2014 & 2011/12-2013/14 Capital Programme Report

The Committee offer the following comments and recommendations for consideration by the Mayor and Cabinet before the budget proposals are submitted to Council:

**General Revenue Fund and Capital Programme**

The Committee noted the significant reduction in capital grants to local authorities over the next three years. The Committee felt in the current climate with the proposed reduction of a number of services and in some case closure of services we need to communicate to residents how our capital programme is being funded. In this instance clear communication and information will mitigate any negative perception of Council expenditure. We therefore recommend that a communication strategy be developed to explain to residents our capital programme and how it is being funded.

**R1 – That the Council develop a communication strategy to inform local residents about the Capital Programme.**

We held detailed discussions about the termination of lease of Anchorage House and the savings that will be realised from this. The Committee seeks assurances from the Mayor and the Cabinet that in vacating Anchorage House any costs to the Council is minimised. At the same time we are concerned about the longer lease for Mulberry Place. We therefore recommend that the Mayor look to develop a longer term accommodation strategy for the Council which will enable us to reduce costs and use our existing facilities more efficiently. The issue of moving services closer to our residents was highlighted as an area of consideration as part of the accommodation strategy.

**R2 – That the Mayor reviews the Council's Accommodation Strategy which explores the use of our existing facilities and reduce costs in the longer term.**

The Committee were concerned about a number of proposed savings proposals and their impact on local residents. We therefore recommend that the Mayor and Cabinet carefully monitor these and as per recommendation 9 work with the Overview and Scrutiny Committee to better understand the impact on local residents.

**R3 – That the Mayor and Cabinet carefully monitor the savings proposals to ensure they are realised and mitigate any negative impact on local residents. Furthermore, as per recommendation 9 work with the Overview and Scrutiny Committee to monitor the impact on our residents.**

### **Impact on Front Line Services**

The Committee discussed in detail the impact on front line services from the proposed savings proposals. As a number of proposals relate to services for some of our most vulnerable residents the Committee continues to seek assurances from the Mayor and the Cabinet that they continue to monitor the impact on front line services. Members also expressed concerns about the reduction in back office staff and the impact it would have on front line staff in terms of management and monitoring responsibilities they will have to take on. We therefore recommend that the Directorates carefully monitor the impact on front line services and the staffs ability to undertake their duties.

**R4 That the Directorates carefully monitors the impact on front line services and their ability to undertake their duties.**

### **Transition Support**

We noted that a number of services will be stopped or more rigorous criteria will be applied for access to those services. We want to ensure all users are still able access services through other provisions available. In that respect the Committee is concerned about the impact on existing services users for those services for example those accessing the Housing Link service or users of the pupil transport services. The Committee recommends that the Council provides appropriate transition support to those users through referring them to other local services providers or providing some transition support.

**R5 – That the Council provides appropriate transition support to those users through referring them to other local services providers or providing some transition support.**

### **Managing impact on BME and women workforce**

The savings proposals in a number of the directorates will have a negative impact on the Council's BME and/or female workforce. The Committee is keen that the Equality Impact Assessments are carefully scrutinised to ensure we can mitigate the impact through enabling staff to find alternative employment in the Council through the re-deployment process and where possible through partner organisations.

**R6 – That the Council ensure through careful monitoring that female and BME workforce are not adversely impacted upon by the saving proposals.**

## **Adults Health & Well Being Saving Proposals**

In regards to Home Care Services we were concerned to learn that the in-house service was so expensive and queried what work had been undertaken to make this more competitive. As the proposals relate to commissioning of the service to independent providers the Committee were particularly anxious to ensure the new service providers can meet the needs of our diverse community, the quality of service is maintained and adequate accountability and monitoring of these providers. The Committee therefore recommends that Adults, Health & Well Being Directorate develop robust monitoring mechanism to oversee the new providers and also ensure adequate support is available to in-house staff to tupe over to any new supplier.

**R7 - That the Adults, Health & Well Being Directorate develop robust monitoring mechanism to oversee the new providers and also ensure adequate support is available to in-house staff to tupe over to new supplier (s).**

## **Budget Scrutiny**

The unprecedented cuts to funding of public services means a reduction in grant of £70.2m over the next three years for Tower Hamlets. This presents an unprecedented challenge for the Mayor and the Council as a whole and we feel it is absolutely crucial that all Members play a critical part in the budget setting process. Due to the very tight budget setting timetable this year the Overview and Scrutiny Committee was unable to fully consider the budget proposals and recommends that a Scrutiny Working Group be set up next year to consider the budget proposals from an earlier stage. The Committee also feels that it would be important for them to consider the impact of the some of the savings proposals and this should be incorporated into the Committee's work programme for next year.

**R8 – That OSC set up a Budget Scrutiny Working Group to undertake budget scrutiny.**

**R9 – That the OSC include in the 2011/12 work programme the analysis of the impact of savings on local residents.**

## **Budget Consultation**

We are concerned about the lack of proper consultation with residents and other local stakeholders. This point was also echoed to us by local residents that took part in the budget consultation process. We recommend that the Mayor and Cabinet explore next year how we can better engage local stakeholders with the budget consultation process. We ask that benchmarking exercise be undertaken with other local authorities who have undertaken more extensive consultation with local residents particularly around specific saving proposals.

**R10 – That the Council develop a more robust resident engagement strategy on the budget and undertake benchmarking exercise with other local authorities for next year's budget setting process.**

The Committee hope that the Cabinet fully considers our recommendations and implements those possible this year and further considers those set out for future budget setting process. The Committee recommends that the Cabinet include the response to our recommendations with the budget paper for consideration by Full Council on 23<sup>rd</sup> February 2011.

Councillor Ann Jackson  
Chair, Overview and Scrutiny Committee  
9<sup>th</sup> February 2011