

## **OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE LABOUR PARTY**

The following sets out comments by officers 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.

### **Proposal**

To reduce the Housing Link service by 25% as opposed to 100%.

### **Corporate Director's Comments**

- 1) The proposal to reduce the service by 25% would still leave excess capacity in the service and offer poor value for money. A 25% reduction would result in an FTE reduction of 2 FTE (7 FTE to 5 FTE). This would still involve compulsory redundancy and/or redeployment for some staff.
- 2) Based on historical patterns of activity, the service would need to reduce by 50% to match demand. i.e. reduction to 3.5 FTE. However the service at this level is not considered viable and management arrangements would need to be reviewed.
- 3) If the service continues, albeit in a reduced form, there will need to be a sustained focus on improving productivity and value for money. This will need to include increasing case loads and reducing the days lost to the service through sickness absence. These measures would make the service more cost effective, but it is still unlikely to match that achieved through other Floating Support Services.
- 4) Similar Floating Support Services are commissioned through Supporting People for all client groups (Older People, Learning Disabilities, Mental Health and Physical Disabilities). There would be a continued duplication of service under this proposal and work will be needed to review eligibility and referral pathways to clarify and simplify access for service users.
- 5) If there continues to be excess capacity we would need to explore whether the team could be re-skilled to deliver a more generic service as opposed to just mental health and if possible where they would operationally be based. This would also need to include considering integration with third sector providers to ensure value for money.
- 6) The Housing Link staff are seconded to the East London Foundation NHS Trust for provision of the service. Any change in the service will need to be negotiated with the Foundation Trust. The existing notice that has been given should accommodate the proposed amendment.

### **Any additional comments of the Chief Finance Officer**

None

**Any additional comments of the Assistant Chief Executive (Legal Services)**

Any staffing implications will need to be dealt with in accordance with Council HR Policies.

### Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
<b>Does the change reduce resources available to address inequality?</b>	No	The change would leave sufficient resources available to provide general and specialist floating support for expected levels of need.
<b>CHANGES TO A SERVICE</b>		
<b>Does the change alter access to the service?</b>	No	Access to the service would still be through referral from community mental health services.
<b>Does the change involve revenue raising?</b>	No	The Council does not charge for community based support services for adults with mental health needs.
<b>Does the change alter who is eligible for the service?</b>	No	Eligibility for floating support for people with mental health needs in Tower Hamlets would remain the same.
<b>Does the change involve a reduction or removal of income transfers to service users?</b>	No	
<b>Does the change involve a contracting out of a service currently provided in house?</b>	No	Not in its current form. However, if the recommendation to retain 5 fte staff is accepted, officers in AWHB will consider how best to make this approach effective. One recommendation may be to merge provision with an external provider.

**CHANGES TO STAFFING**

<b>Does the change involve a reduction in staff?</b>	Yes	From 7 to 5 fte.
<b>Does the change involve a redesign of the roles of staff?</b>	Potentially	If the service were to be redesigned to work alongside or to merge with external provision then some staff roles would change. However, the staff would continue to provide floating support to adults with mental health needs.

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### **Proposal**

**Support to the Mayor and Councillors (CE/2):** Retention of certain support services for Members currently proposed for deletion; Freeze Basic and Mayor's Allowances and reduce SRAs by 5%; Provide suitable transport for civic functions solely for Chair and Deputy Chair of Council; Maintain Civic Awards (combined with Mayor's Community Safety Awards and with any refreshments funded by sponsorship); and cap the cost of staff support to the mayor and Executive to £271k. p.a.

### **Corporate Director's Comments**

A review of the Democratic Services reorganisation proposals that are currently the subject of consultation with staff will be required, in particular to confirm whether it is possible to provide the necessary support for the Mayor and Executive from within the proposed funding 'cap'. Any revised proposals will need to be subject to consultation in accordance with the 'Managing Organisational Change' procedure.

Subject to this, the amended proposal would enable the services specified to be maintained, although work should still continue, in consultation with Members, to reduce printing costs and improve the efficiency of the Members' Enquiries process over time.

The changes to Members' Allowances can be implemented upon the decision of the Council. However the proposal to freeze the Basic and Mayor's Allowances at the current level will not in itself give rise to a saving as the existing budget proposals do not include any provision for an increase.

### **Any additional comments of the Chief Finance Officer**

None

**Any additional comments of the Assistant Chief Executive (Legal Services)**

The legal comments are included in the body of the comments.

### Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	NO	
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	NO	
Does the change involve revenue raising?	NO	
Does the change alter who is eligible for the service?	NO	
Does the change involve a reduction or removal of income transfers to service users?	NO	
Does the change involve a contracting out of a service currently provided in house?	NO	

**CHANGES TO STAFFING**

<b>Does the change involve a reduction in staff?</b>	<b>NO</b>	
<b>Does the change involve a redesign of the roles of staff?</b>	<b>Yes</b>	<b>Subject to consultation and finalization of detailed job descriptions for posts that are part of the Democratic Services review, in accordance with the Managing Organizational Change procedure.</b>



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### **Proposal**

The Junior Youth Service provides valued after school childcare for the children of many working and non-working parents. This service to be continued in at least eight schools for working and non-working parents at the current level of charges. The Council to agree with schools whether this service is provided directly by the Council or school-run provision is subsidised by the Council, the aim being to maximise the number of places provided. The funding for this provision to be £406,000.

### **Corporate Director's Comments**

All schools will continue to provide out of schools hours learning free of charge for all pupils eg. homework clubs, sport, music, drama, art.

We have sign up from 9 schools who are very committed to operating after school childcare services. These schools have been assisted with a specialist business planner to put in place a robust plan which demonstrates the viability of the service in term time between 4 and 6pm. The alternative directly provided in-house service would be expensive and is not considered value for money in light of the willingness of schools to offer this service with little or no subsidy.

In any case, the decision about how services are provided, by whom and at what level of fees, is not a matter for the Council, but one for the schools governing body.

### **Any additional comments of the Chief Finance Officer**

None

### **Any additional comments of the Assistant Chief Executive (Legal Services)**

None

### Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	No	
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	No	
Does the change involve revenue raising?	Yes	This proposal is designed to ensure after school childcare remains at prevailing rates during 2011/12.
Does the change alter who is eligible for the service?	No	
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	No	
<b>CHANGES TO STAFFING</b>		

<b>Does the change involve a reduction in staff?</b>	<b>No</b>	
<b>Does the change involve a redesign of the roles of staff?</b>	<b>No</b>	

## **OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE LABOUR PARTY**

The following sets out comments by officers 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.

### **Proposal**

Lean/2 Staff budget reduction of 60k for senior staff

### **Corporate Director's Comments**

The service is nearing completion of a restructure to reduce the number of posts working across the council on communications from 45 posts to 30 releasing £500k of savings. The number of PO8 posts has also reduced from 5 to 2 with one post at SM1. Given the recent consultation, redundancy and competitive interview process for the reduced number of posts there would need to be further, additional consultation. While this may impact on staff morale, the most certain outcome is that this saving won't be realised until midway through 2011/12. Reducing the staff salary budget without deleting a post would require a re-evaluation of job descriptions.

However given the forthcoming Review of East End Life there may well be opportunities to examine the senior staffing structure of the service as part of that review.

### **Any additional comments of the Chief Finance Officer**

Given that this proposal will need to follow the Councils Handling Organisational Change procedure it is unlikely that any saving will be realised until midway through 2011/12. There may also be redundancy costs that would also need to be accounted for, before a saving is realised.

### **Any additional comments of the Assistant Chief Executive (Legal Services)**

Any staffing implications would be required to be dealt with in accordance with the councils adopted human resources procedures



### Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	Yes	The communications team is responsible for ensuring council information about community cohesion and equality are communicated to residents. Reducing staff further would begin to impact on our ability to fulfill this role.
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	Yes	Reducing staff potentially has the impact of reducing capacity to encourage access to services. Services need to communicate how they operate and who is entitled to a service if take up is to be equitable.
Does the change involve revenue raising?	No	
Does the change alter who is eligible for the service?	No	
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	No	

**CHANGES TO STAFFING**

<b>Does the change involve a reduction in staff?</b>	<b>Yes</b>	Reduction in the staff budget would either require a cut in staff and/or a redesign of staff roles.
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<b>Does the change involve a redesign of the roles of staff?</b>	<b>Yes</b>	Reduction in the staff budget would either require a cut in staff and/or a redesign of staff roles.
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The following sets out comments by officers 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.

### **Proposal**

Move to quarterly publication of East End Life

### **Corporate Director's Comments**

There is an ongoing Review of East End Life which is due to report by May 2011 and as part of this work the financial impact and effect on Council services of alternative approaches is being assessed. These figures are therefore based on a number of assumptions.

Currently East End Life provides a medium which assists in achieving the Council's duty to inform and also provides advertising space for the Council, including unavoidable advertising of statutory notices and highly desirable marketing of Council services, including housing opportunities.

The saving of £200,000 assumes that East End Life would be delivered at a much lower cost as a quarterly publication but that the majority of external advertising revenue would be lost. It allows for the Council to set aside £265,000 in the General Fund budget to pay for statutory advertising and a small amount for other desirable advertising. This is about half of the amount that Council departments currently spend on advertising in East End Life and thus the proposal assumes that Directorates would review and reduce their advertising spending as a result of no longer having East End Life available to them. Part of the Mayor's review will need to look at how feasible or desirable it is for the Council to reduce its level of advertising in print media in this way.

With the exception of statutory notices, which under current law must be published in print, there are alternative cheaper marketing routes available, notably the internet, although it is arguable that increasing use of the internet over print media would tend to exclude people without access to technology from access to Council services.

In addition, current rate cards for alternative print media in the Tower Hamlets area suggest that if East End Life was discontinued, there is a risk that the cost of advertising for the Council could rise considerably. This risk is not reflected in the figures used in the proposal. No other publication in Tower Hamlets currently reaches as many people as East End Life, so achieving the same 'reach' is likely to involve advertising in more than one newspaper; again that would tend to increase costs.

Members need to be aware, therefore, that if they wish the same level of publicity for services with the same reach as currently achieved by East End Life the cost to the Council will almost certainly be higher than the status quo position.

Finally there would be one-off redundancy costs to consider which could be in excess of £300k.

### **Any additional comments of the Chief Finance Officer**

The financial implications are set out above. At this stage of the Mayor's review remains considerable uncertainty about the assumptions used to work up the various cost options set out in this proposal. As the review finalises, these numbers will need to be validated and as a result of this validation, the numbers may change. What is very clear, at this stage, is that the respective cost/savings models associated with the status quo, fortnightly, monthly, quarterly or ending publication are very close and small changes in assumptions either way can have a considerable impact on the value for money assessment and bottom-line cost. For example, costs for the external publication of statutory notices will not be fully known until a tendering exercise is completed and contracts awarded.

Members need also to be aware that the above figures have been calculated on the basis of a very minimal approach to external advertising. It means, for example, that notices, such as the Housing Choices adverts, will not be published in the same form or with the reach as currently achieved through East End Life. If Members wish to continue with the prevailing approach and coverage for these items, the costs will be considerably more than set out in this proposal.

This proposals ask Council to reduce the communications budget on the assumption that £20K can be saved from publishing East End Life on a quarterly basis. If, as a consequence of completing the review, it is clear that this saving cannot be achieved, or that an alternative option is better value for money, this is something the Mayor will need to consider in the context of spending within budget during 2011/12 and future years

Members also need to be advised that redundancy costs associated with this proposal have been estimated to be £300,000. These would need to be accounted for either before the saving could be taken by the Council (i.e. no saving in 2011/12 and a part year effect in 2012/13) or would be a call on general fund balances. This would have the effect of reducing general balances below that which is recommended to Council in the budget report pps 305-307.

**Any additional comments of the Assistant Chief Executive (Legal Services)**

The legal implications would relate to redundancy of staff that would be dealt with under the councils agreed procedures



### Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	Yes	East End Life is used by the council to promote access to services
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	Yes	Without regular provision of information to the housing list some vulnerable residents could miss the opportunity to apply for vacant properties. East End Life also advertises Council services which might not come to the attention of people who could potentially benefit from them.
Does the change involve revenue raising?	Yes	By implication – the council would need to advertise in other sources for statutory notices and this would result in a net cost to the council thus requiring identification of alternative revenue sources.
Does the change alter who is eligible for the service?	No	
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	No	

<b>CHANGES TO STAFFING</b>		
<b>Does the change involve a reduction in staff?</b>	<b>Yes</b>	Reducing frequency of East End Life would lead to a reduction in staff numbers.
<b>Does the change involve a redesign of the roles of staff?</b>	<b>Yes</b>	Reducing frequency of East End Life would lead to a reduction in staff numbers and a redesign of roles for remaining staff.

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The following sets out comments by officers 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.

### **Proposal**

Community Safety – Add 17 Police Officers – One Per Ward – to Safer Neighbourhood Teams, meeting with local residents at Ward Panels, to replace the current team of THEO's with effect from 1 July at a net saving in 2011/12 of £25,000 and a net saving in 2012/13 of £180,000.

### **Corporate Director's Comments**

The proposal to replace THEO's with Police Officers would result in the potential compulsory redundancy of 16 staff.

THEO's are accredited by the Police and have a very wide generic scheme of delegation. This has been developed to enhance service provision with the Council's partners. The removal of THEO's from the structure is likely to create a void that the police service will be unable to fill and the accredited powers that have been so effective in managing asb issues will be lost.

The police are currently undertaking their own savings reviews, part of which is to refocus and manage their own core business. Ultimately they will not be dealing with issues they clearly identify as council responsibilities, as a result replacement of THEO's with police officers may dilute rather than improve responsiveness to local residents concerns.

### **Any additional comments of the Chief Finance Officer**

None

### **Any additional comments of the Assistant Chief Executive (Legal Services)**

This will need legal agreement with Met Police.





### Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	No	
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	Yes	The removal of the enforcement officers would result in the end of joint tasking and the partners coordinated response to ASB issues.
Does the change involve revenue raising?	No	
Does the change alter who is eligible for the service?	No	
Does the change involve a reduction or removal of income transfers to service users?	No	
Does the change involve a contracting out of a service currently provided in house?	No	

**CHANGES TO STAFFING****Does the change involve a reduction in staff?****Yes**

Would result in potential redundancy of 16 staff

**Does the change involve a redesign of the roles of staff?****No**

## **OFFICERS' COMMENTS ON ALTERNATIVE BUDGET PROPOSAL BY THE LABOUR PARTY**

The following sets out comments by officers 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.

### **Proposal**

Reduce allocation to General Reserves by £286,000

### **Corporate Director's Comments (Corporate Director- Resources)**

Officers advice is that General Reserves need to be held at a level around the upper end of the policy range, 7.5% of budget requirement, because of the increased risks facing the Council as a result of funding cuts and other economic pressures. The allocation of an additional £3m to the reserve would meet this target and would ensure that General Reserves are replenished. Appendix F in the Budget Pack (pps 305-307) sets out this advice in detail.

This proposal would the budget allocation to the reserve to £2.714m. This would increase the risk to the budget.

### **Any additional comments of the Chief Finance Officer**

The advice of the Chief Officer as set out at pages 303 – 307 is that the General Fund Reserves should be maintained at the top of the upper range and not reduce.

There are potential costs that have not been identified in the Labour Party proposals that may lead to the call on reserves being higher. These relate to redundancy payments that may result from the proposal in respect of East End Life (estimated at £300K) and slippage on the implementation of the saving from the Communications budget (part year effect in 2011/12). If these costs were to manifest the reduced allocation to reserves would be £556,000, not £286,000.

### **Any additional comments of the Assistant Chief Executive (Legal Services)**

None



### Equality Impact Assessment: Test of Relevance

TRIGGER QUESTIONS	YES / NO	IF YES PLEASE BRIEFLY EXPLAIN.....
Does the change reduce resources available to address inequality?	NO	
<b>CHANGES TO A SERVICE</b>		
Does the change alter access to the service?	NO	
Does the change involve revenue raising?	NO	
Does the change alter who is eligible for the service?	NO	
Does the change involve a reduction or removal of income transfers to service users?	NO	
Does the change involve a contracting out of a service currently provided in house?	NO	

**CHANGES TO STAFFING****Does the change  
involve a  
reduction in staff?****NO****Does the change  
involve a redesign  
of the roles of  
staff?****NO**