

## **Labour Group Budget Amendment**

Proposed: Cllr Carlo Gibbs

Seconded: Cllr Joshua Peck

### **This council notes:**

- That between the Chancellor's Emergency Budget in 2010 and 2017/18, the Council's General Fund budget will have been cut by 50%;
- The Council's Medium Term Financial Plan is showing a black hole of £39m in 2015/16, £24m of which is unfunded, and a deficit of at least £55m is anticipated in 2016/17;
- By 2015/16, Council reserves will be brought down to their lowest advisable level of £20m;
- Many of the Mayor's biggest spending commitments – including Free School Meals, THEOs, additional cleaning, Faith Buildings Fund, Educational Award and Council Tax Benefit – are only funded up to the election;
- Continuing these services after their current funding ceases would increase the council's black hole by over £6m each year;
- In order to fund additional spending, the Mayor has initiated further frontline cuts, including a 5% reduction of the staffing budgets in Adults Health and Wellbeing and Children Schools and Families directorates, placing further pressure on frontline staff;
- Closing this black hole would require the equivalent of a £600 per household Council Tax increase or cutting in half the services provided to the elderly and disabled in the Borough;
- The Labour Group has been asking the Mayor for over a year to explain how he plans to close this financial black hole over which he has presided.

### **This council believes:**

- It is the duty of the council to manage its finances efficiently, delivering a balanced budget to ensure long term stability of services for residents;
- In facing these cuts the residents of this borough deserve openness and honesty about how those elected to represent them will deal with this issue;
- The Mayor has lost control of the Council's finances and has no proposals - such as an invest to save strategy, star chamber programme or review of service - to deal with this black hole;
- Plans to tackle the deficit will take time to bring online and, in order to be delivered in 2015, will have to be agreed by council a long time before then;
- The Mayor is failing to show leadership in the face of the Government's cuts by ignoring the council's precarious financial state until after the next election.

### **This council further believes:**

- It is wrong for the Mayor to continue spending significant amounts of public money on self-publicity such as East End Life, political mailings to residents, banners with his face on and other communication spending;
- It is wrong for the Mayor to increase spending on his office by 65% to £700,000, including £296k for advisors, when cuts to frontline staffing budgets elsewhere in the

organisation are taking place. Particularly as he has a Cabinet that is supposed to advise him on these issues;

- It is wrong that the Mayor continues to hire a Mercedes and driver at significant cost to the council;

**This council therefore resolves:**

To amend the Mayor's budget:

- To delete funding of £1.214m from the budget used to fund East End Life, delivering a saving of £433k by:
  - Reducing funding available for public notices from £267,000 to £100,000, sufficient to support the provision of statutory advertising in local newspapers, tendering a long term contract in order to secure the best rates;
  - Reducing the funding of £176,000 for the advertising of choice based lettings to £50,000, sufficient to fund a provision that can be made available on a weekly basis in each housing office, leisure centre and one-stop shop in the borough, as well as online, to be managed by the lettings team;
  - To cut departmental budgets by £143,000, to reduce their general advertising spend allocated in previous years to East End Life;
- To delete the funding of £296k for Mayor's Advisors;
- Not allocate the £1.8m of unallocated funds set out in Section 3 of Cabinet Report Wednesday 13<sup>th</sup> February to any other provision;
- Use the £200,000 of available capital spending to free up £200,000 of previously capitalised revenue funding that will be ring fenced as a contingency fund to support the deletion of the budget used for East End Life.
- To ring fence the savings and unallocated funds resulting from the above and set out in the below table, into a ring-fenced reserve to support a reduction in the council's black hole in 2015/16;
- To place a general restriction on the council that all virements outside of the agreed budget framework above £200,000 must be agreed by full council.

<b>Saving</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Total saving</b>
Unallocated Funding	£1.8m		£1.8m
Saving from statutory advertising	£167k	£167k	£334k
Saving from Choice Based Lettings advertising	£126k	£126k	£252k
Reduce departmental budgets (advertising spend)	£143k	£143k	£286k

Reallocation of Capital Funding	0	0	0
Mayor's Advisors	£296k	£296k	£592k
Total	£2.532m	£732k	£3.264m