

Meeting of the

OVERVIEW & SCRUTINY COMMITTEE

Tuesday, 11 February 2014 at 7.00 p.m.

SUPPLEMENTARY AGENDA

VENUE

Room C1, 1st Floor, Town Hall, Mulberry Place, 5
Clove Crescent, London, E14 2BG

Members:	Deputies (if any):
<p>Chair: Councillor Motin Uz-Zaman Vice-Chair: Councillor Rachael Saunders, (Scrutiny Lead, Adults Health & Wellbeing) Councillor Stephanie Eaton, (Scrutiny Lead, Resources) Councillor Fozol Miah Councillor Amy Whitelock Gibbs, (Scrutiny Lead, Children, Schools & Families) Councillor Helal Uddin, (Scrutiny Lead, Communities, Localities & Culture) Councillor Abdal Ullah, (Scrutiny Lead, Development & Renewal) Councillor David Snowdon, (Scrutiny Lead, Chief Executive's) 1 Vacancy</p>	<p>Councillor Tim Archer, (Designated Deputy representing Councillor David Snowdon) Councillor Khales Uddin Ahmed, (Designated Deputy representing Councillors Motin Uz-Zaman, Rachael Saunders, Helal Uddin, Abdal Ullah and Amy Whitelock) Councillor Harun Miah, (Designated Deputy representing Councillor Fozol Miah) Councillor Peter Golds, (Designated Deputy representing Councillor David Snowdon) Councillor Helal Abbas, (Designated Deputy representing Councillors Motin Uz-Zaman, Rachael Saunders, Helal Uddin, Abdal Ullah and Amy Whitelock) Councillor Judith Gardiner, (Designated Deputy representing Councillors Motin Uz-Zaman, Rachael Saunders, Helal Uddin, Abdal Ullah and Amy Whitelock)</p>
<p>[Note: The quorum for this body is 3 voting Members].</p>	

Co-opted Members:	
Memory Kampiyawo	– (Parent Governor Representative)
Nozrul Mustafa	– (Parent Governor Representative)
Rev James Olanipekun	– (Parent Governor Representative)
Mr Mushfique Uddin	– (Muslim Community Representative)
Dr Phillip Rice	– (Church of England Diocese Representative)
1 Vacancy	– (Roman Catholic Diocese of Westminster Representative)

Committee Services Contact:

Angus Taylor, Democratic Services,

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LONDON BOROUGH OF TOWER HAMLETS
OVERVIEW & SCRUTINY COMMITTEE

Tuesday, 11 February 2014

7.00 p.m.

4 .1 General Fund Capital and Revenue Budgets, Medium Term Financial Plan 2014-2017 and Strategic Plan 2014-15 (Pages 1 - 12)

To consider and comment on the budgetary report presented at Cabinet on 5th February 2014 and the Mayor in Cabinet's decision arising from the report.

(To follow documents attached)

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Chair of the Overview and Scrutiny
Committee

6 February 2014

Directorate of Probity Law and Governance
Democratic Services , Committee Services
Team

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Dear Councillor Uz-Zaman,

RE: REFERRAL OF BUDGET AND POLICY FRAMEWORK REPORT

The 2014/15 Budget is part of the Council's Budget and Policy Framework, as defined by Article 4 of the Authority's Constitution.

Changes to the initial 2014/15 Budget were agreed, both for public consultation and referral to the OSC for consultation in accordance with the requirements of the Budget and Policy Framework, by the Mayor in Cabinet on the 5th February 2014.

The Authority's Constitution details the process for the development of Budget and Policy Framework matters. This requires that the Executive be informed of/ take into account the views of the Overview & Scrutiny Committee (OSC) on the Budget proposals before final Budget proposals are submitted to full Council for consideration and decision (the matter being reserved to full Council for decision). The budget proposals originally circulated to all Members on 24 January 2014 were agreed; however two additional proposals were put forward by the Mayor at Cabinet on the 5th February 2014.

1. An initiative to fund an additional police officer for each ward in the Borough
2. Provide support to low income households and those entitled to partial council tax support, by way of a further £25 reduction to their council tax bill in 2014/15

Accordingly I write to confirm that a copy of the Updated report on 2014/15 Budget Proposals have been circulated to all members of the Authority in a Cabinet Agenda "Budget 2014/2015 Document Pack".

The OSC should give consideration to the Executive's 2014/15 Budget proposals at its meeting to be held on 11 February 2014 at 7pm, in C1 at the Town Hall. **Any response of the OSC to the Executive's 2014/15 Budget proposals must be submitted to the Executive (Mayor) by Noon on Tuesday 18 February 2014.**

Please note that:

- Final 2014/15 Budget proposals will be considered (taking into account any responses of the OSC to the revised Budget proposals) by the Mayor prior to submission to Budget Council (meeting to be held 26 February 2014).
- Material changes to the initial budget report and new budget proposals have been summarised in the attached document for consultation by the OSC in accordance with the requirements of the Budget and Policy Framework.

Yours sincerely

Chris Holme
Interim Corporate Director, Resources

Enc.

Summary of Changes to the Budget Report submitted to February Cabinet

- Specific grants update announced
- Growth provision in 2015/16 for loss in grant funding
- Approved growth and Inflation requirement for 2013/14 - Awarded to directorates
- New Budget proposals announced

Table below – Financial Impact

Summary Draft Medium Term Financial Plan 2014-17				
Net Change Jan - Feb Cabinet				
	2013-14	2014-15	2015-16	2016-17
	£'000	£'000	£'000	£'000
Total Funding Requirement - January Cabinet	295,732	294,663	309,081	325,324
Core Grants	0	(2,305)	2,464	880
Development of New Civic Centre	0	1,000		0
Council Tax Reduction Discount	0	575		0
Total Funding Requirement - February Cabinet	295,732	293,933	311,545	326,204
Total Funding - January Cabinet	-316,458	-291,763	-258,859	-244,643
Final Settlement announced 5th Feb	0	-29	0	0
Total Funding - February Cabinet	-316,458	-291,792	-258,859	-244,643
Budget Gap (excl use of Reserves)	-20,726	2,141	52,686	81,560
Savings to be delivered in each year - January Cabinet			28,176	39,000
(+/-) Change			200	49
Savings to be delivered in each year - February Cabinet	0	0	28,376	39,049
General Fund Reserves	31/03/2014	31/03/2015	31/03/2016	31/03/2017
Balance on General Fund Reserves (£000s) - January Cabinet	59,552	57,686	35,640	22,136
(+/-) Change	0	759	-1,505	-2,136
Balance on General Fund Reserves (£000s) - February Cabinet	59,552	58,445	34,135	20,000

	£'000
Additional Commitment	
Development of New Civic Centre	1,000
Council Tax Reduction Discount	575
An additional police officer in every ward	212
	1,787
Funded by	
General Fund Reserves	-1,097
Additional Savings 2015/16 & 2016/17	-449
Employment and other Corporate Initiatives reserve	-212
Additional Settlement	-29
	-1,787

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**ACCELERATING DELIVERY – CABINET KEY PRIORITIES
ONE OFF SPENDING PROPOSALS**

**Item Ref. No:
GRO/CLC/01**

**PART 1: REQUIRED BY 7th FEBRUARY – TO INFORM REPORT TO CABINET BUDGET PROPOSALS
26th FEBRUARY 2014**

TITLE OF ACCELERATED DELIVERY INITIATIVE:	An additional police officer in every ward		
COMMUNITY PLAN THEME:	Community Safety		
PRIORITY: (identify which)	Community Safety		
DIRECTORATE:	Communities, Localities and Culture		
SERVICE AREA:	Safer Communities	LEAD OFFICER:	Andy Bamber

SHORT DESCRIPTION OF ACTIVITY PROPOSED:

On January 17th, the details of the new MOPAC funding deal for Councils wishing to purchase additional police were confirmed. An excellent partnership relationship has already been established through two partnership police deals which have introduced an additional 35 police officers on to the streets of Tower Hamlets. Community Safety remains the top priority for residents of this borough, as detailed in this year's Annual Residents Survey.

It is proposed to retain PTF1 for a further 17 months and continue PTF2 both at their current levels and add an additional 20 officers under a new and separate section 92 Agreement. These new officers would be placed into the electoral wards to increase the numbers of officers at ward level because the MPS have reduced ward officers to create larger neighbourhood teams at 4 locations. This will create a total of 55 additional police officers at an annual cost of £1,288m for the period of October 2014 to September 2015. This is based on the new MOPAC transitional charges being applied for 2014/15 year to a renegotiated PTF1 which replaces the existing cost sharing and match funding scheme. MOPAC costs of £36k each per PC (which is a lower rate than currently agreed PTF1 costs of £41k). It is also based on PTF2 being extendable at currently agreed PTF2 rates. The new agreement covering the 20 officers would run for three years from October 2014.

These additional police officers will be tasked with tackling drug dealing and anti-social behaviour. Officers placed in each ward will be supported by the existing management structure for SNTs within the 4 Neighbourhood Teams of the local policing model.

This proposal would demonstrate the Council's continued commitment to addressing residents' key concerns around crime and ASB while counteracting cuts to local policing levels imposed at regional level. Resources are available from the Employment and other Corporate Initiatives reserve to fund the £212,000 cost of the additional 20 police officers for the following two years.

FINANCIAL INFORMATION: Please give an indication of financial requirements to deliver the proposed acceleration. If this will be delivered within existing budgets, please indicate 'nil'.

	Resource requirements	
	2014/2015 £000	2015/2016 £000
Revenue		
- General Fund		
- HRA	13	199
Capital		
	13	199

**ACCELERATING DELIVERY – CABINET KEY PRIORITIES
ONE OFF SPENDING PROPOSALS**

**Item Ref. No:
GRO/CLC/01**

KEY DECISIONS ON MOBILISATION : Please indicate proposed approach to decision making on mobilisation of new initiative

Cabinet Decision (Only required for 2014/15 expenditure proposals and those requiring early decision in order to be implemented in 2015/16).	Y/N N/A : Cabinet decision made.
Add-on to existing service or contract	No
Participatory Budgeting exercise	No
Other	Describe: N/A

OUTLINE TIMESCALE FOR DELIVERY

Decision and/or resource allocation by:	See above.
Mobilisation – initiative underway by:	June –August recruitment.
Key delivery milestones	
By December 2014	Additional trained officers arriving in Borough. Estimate 20 additional at this time. Subject to the above a total of 55 funded Police Officers in the borough
By March 2015	As above.
By September 2015	PTF 2 ends
By March 2016	N/A

DELIVERY RISKS Please indicate any risks which may delay or prevent delivery and mitigating measures to be taken

Risk identified	Mitigating action
Ability of MPS to recruit and train additional police officers quickly.	None
MOPAC move the goal posts	None

**ACCELERATING DELIVERY – CABINET KEY PRIORITIES
ONE OFF SPENDING PROPOSALS**

**Item Ref. No:
GRO/CLC/01**

PART 2: REQUIRED BY 19 JANUARY – TO INFORM REPORT TO CABINET BUDGET PROPOSALS 5th FEBRUARY 2014

Only required if additional resources required

NB FOR CAPITAL EXPENDITURE SCHEMES, A CAPITAL TEMPLATE SHOULD ALSO BE PROVIDED

ADDITIONAL OUTPUTS TO BE DELIVERED – these must be additional to those already planned for delivery with existing budgets

Description of Output (New homes, Security Cameras, Youth Workers)	Additional by end March 2015	Additional by Sept 2015	Additional by March 2016
Higher profile of uniformed policing	55 funded Police Officers		
Impact on annual residents survey	TBC (subject to discussions with Borough Commander)		
Reduced ASB	As above		

**ACCELERATING DELIVERY – CABINET KEY PRIORITIES
ONE OFF SPENDING PROPOSALS**

**Item Ref. No:
GRO/CLC/01**

OUTCOMES IN PRIORITY AREAS Describe what outcomes this expenditure would achieve in relation to the priority area and set out the uplift which can be expected in key targets

Description of outcomes proposed:

- The core outcomes are subject to further detailed negotiation with the Borough Commander. However some of the higher level outcomes are set out below.
- Additional policing will be welcomed by residents and address, if communicated appropriately, perception of how the Council and partners deal with crime and ASB.
- The initiative will further integrate police delivery with local priorities and promote closer joint working.
- It will demonstrate clear political commitment to addressing community safety concerns.
- May possibly result in a slightly higher profile of uniformed policing, provided safeguards are put in place to ensure officers cannot be drawn to duties elsewhere across the MET area.
- Depending on nature of the deal struck with the Borough Commander the additional resource could help tackle mid-level drug dealing, an issue that may otherwise not a priority for the police.
- This proposal could be linked to the mobile police station proposal by negotiating the staffing of the police station as part of the agreement to fund police officers.

Strategic Indicator (Council Strategic Indicator)	Current target 2014/15	Target with 14/15 additional spend	Current target 2015/16	Target 15/16 with additional spend
	TBC (subject to discussions with Borough Commander)			
Annual Residents Survey	As above.			

VALUE FOR MONEY/EFFICIENCY

Provide evidence that the proposed expenditure will offer value for money, e.g.

- unit cost comparisons of proposed provision

Where existing provision is being extended

- cost/performance benchmarking of existing provision which is to be extended
- internal/external evaluation of existing provision to be extended

Where proposed provision is new /innovative

- evidence/rationale for effectiveness and value for money of approach proposed

The MOPAC subsidy arrangements allow the Council to secure additional police at reduced rates this provides value for money. In addition, the 20 police officers which will be delivered in October 2014, are at a further reduced cost to previous GLA funding arrangements.

That said the initiative does require the Council to fund the Police Service, which has formerly been solely funded by the GLA.

However the MET police is the sole provider of policing services so there is no alternative option to increase the police presence on the street, which is a key priority for residents.

**ACCELERATING DELIVERY – CABINET KEY PRIORITIES
ONE OFF SPENDING PROPOSALS**

Item Ref. No:
GRO/RES/01

**PART 1: REQUIRED BY 7th FEBRUARY – TO INFORM REPORT TO CABINET BUDGET PROPOSALS
26thFEBRUARY 2014**

TITLE OF ACCELERATED DELIVERY INITIATIVE: Award of discretionary discount for council tax 2014/15

COMMUNITY PLAN THEME: A Prosperous Community

PRIORITY: (identify which)

DIRECTORATE: Resources

SERVICE AREA: Revenue Services **LEAD OFFICER:** Roger Jones

SHORT DESCRIPTION OF ACTIVITY PROPOSED:

The proposal is to award a further Council Tax Discount of £25.00, to support low income households who are entitled to partial council tax support, increasing the existing localised Council Tax Support Scheme. This would result in a one-off cost of £575k to the Council in the 2014/15 financial year. This will be funded out of general reserves in 2014/15 which will be replenished via savings in 2015/16 and 2016/17.

Calculations have been based on the number of households who have partial entitlement to the Local Council Tax Reduction Scheme in Tower Hamlets, which is currently 23,000 households.

Those who will benefit from the scheme include pensioners, Disabled residents and those on low income. There is a clear legal power to reduce a person's liability to Council Tax. Additionally, a discount compared to other options would be relatively cheap and straightforward to administer.

FINANCIAL INFORMATION: Please give an indication of financial requirements to deliver the proposed acceleration. If this will be delivered within existing budgets, please indicate 'nil'.

	Resource requirements	
	2014/2015 £000	2015/2016 £000
Revenue		
- General Fund	575	0
- HRA		
Capital		
	575	0

**ACCELERATING DELIVERY – CABINET KEY PRIORITIES
ONE OFF SPENDING PROPOSALS**

**Item Ref. No:
GRO/RES/01**

KEY DECISIONS ON MOBILISATION : Please indicate proposed approach to decision making on mobilisation of new initiative	
Cabinet Decision (Only required for 2014/15 expenditure proposals and those requiring early decision in order to be implemented in 2015/16).	Y/N N/A – Cabinet decision has been made
Add-on to existing service or contract	No
Participatory Budgeting exercise	No
Other	Describe: N/A

OUTLINE TIMESCALE FOR DELIVERY	
Decision and/or resource allocation by:	Cabinet February 2014
Mobilisation – initiative underway by:	April 2014
Key delivery milestones	The milestones below are based on a discount applied to 2014/15 Council Tax
By March 2014	Delivery mechanism and communications planned for annual billing in early March 2014, depending on agreement by Full Council.
By March 2015	A reduction of £25.00 to the council tax liability of 23,000 households that are entitled to partial council tax support at annual billing
By September 2016	N/A
By March 2016	N/A

DELIVERY RISKS Please indicate any risks which may delay or prevent delivery and mitigating measures to be taken	
Risk identified	Mitigating action
Programmes need to be written and tested to identify entitlements with little time	Recruitment of additional staff for specific period to manually carry the exercise.

**ACCELERATING DELIVERY – CABINET KEY PRIORITIES
ONE OFF SPENDING PROPOSALS**

Item Ref. No:
GRO/RES/01

PART 2: REQUIRED BY 19 JANUARY – TO INFORM REPORT TO CABINET BUDGET PROPOSALS 5th FEBRUARY 2014

Only required if additional resources required

NB FOR CAPITAL EXPENDITURE SCHEMES, A CAPITAL TEMPLATE SHOULD ALSO BE PROVIDED

ADDITIONAL OUTPUTS TO BE DELIVERED – these must be additional to those already planned for delivery with existing budgets

Description of Output (New homes, Security Cameras, Youth Workers)	Additional by end March 2015	Additional by Sept 2015	Additional by March 2016
None	None		

OUTCOMES IN PRIORITY AREAS Describe what outcomes this expenditure would achieve in relation to the priority area and set out the uplift which can be expected in key targets

Description of outcomes proposed:

The aim of this proposal is to provide additional financial help for lower income households. This would be by way of a £25.00 reduction to all council taxpayers who are entitled to partial council tax support but who still have at least £25.00 to pay in the 2014/2015 financial year.

Strategic Indicator (Council Strategic Indicator)	Current target 2014/15	Target with 14/15 additional spend	Current target 2015/16	Target 15/16 with additional spend

VALUE FOR MONEY/EFFICIENCY

Provide evidence that the proposed expenditure will offer value for money, e.g.

- unit cost comparisons of proposed provision

Where existing provision is being extended

- cost/performance benchmarking of existing provision which is to be extended
- internal/external evaluation of existing provision to be extended

Where proposed provision is new /innovative

- evidence/rationale for effectiveness and value for money of approach proposed

Unit cost comparisons are difficult to make for a scheme of this nature. However, a discount, compared to other options, would be relatively cheap and straightforward to administer.

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