

REPORT TO BUDGET COUNCIL 6TH MARCH 2014

**GENERAL FUND REVENUE BUDGET & COUNCIL TAX 2014/15
CAPITAL PROGRAMME AND MEDIUM TERM FINANCIAL PLAN 2014-
2017
TREASURY MANAGEMENT STRATEGY STATEMENT, MINIMUM
REVENUE PROVISION POLICY STATEMENT & ANNUAL INVESTMENT
STRATEGY 2014/15.**

Mayor's Revised Budget Motion

1 INTRODUCTION

- 1.1 At the first Budget Council meeting on 26th February, the Council considered three amendments to the Cabinet's budget approved on 5th February. The Mayor did not accept any of the proposed amendments.
- 1.2 The budget motion was amended by the Labour motion which was agreed by the majority of councillors at the meeting.
- 1.3 The Mayor has considered the substantive motion passed by Council on 26th February and has not altered his original proposals.
- 1.4 The effect of this is that the Council will this evening vote on whether to adopt the substantive motion passed by Council on 26th February incorporating the Labour group amendment. Should the amended motion not achieve a two-thirds majority, the Mayor's budget proposals will be adopted..
- 1.5 Officer advice on the proposals in the budget has been received by Members in the Budget Council Document Pack and papers tabled at Council on 26th February. In the interests of economy Members are requested to bring these with them to the meeting and to take account of these in making their decisions.

2 Mayor's Comments on the revised motion

The Mayor of Tower Hamlets comments;

- 2.1 I have considered the detail of the budget amendment passed by Council on 26th and I reject the proposed amendments for the reasons set out in the table below.

Budget Amendment	Response	Reason
Saving Proposals		
Cancel the decision to remove £1.3m of funding for free	Reject	This funding has been reallocated to the Women in Health Jobs initiative.

<p>school meals for 2014/15</p>		<p>The project will provide funding for at least 100 women to access flexible training and employment opportunities in the health sector, concentrating on health of under 5s.</p> <p>This will improve employment opportunities for women, as well as the health outcomes for children in the borough. These are two areas which require improvement.</p>
<p>Departmental top slice advertising CLC, D&R and ESWB</p>	<p>Reject</p>	<p>This would reduce the ability for departments to inform residents about the service on offer and any service changes.</p> <p>Recent directorate communications activity has concentrated on improving cleanliness, health campaigns, increasing fostering and adoption and downsizing.</p> <p>These are all important services which residents should be informed about.</p>
<p>Cut the Mayoral Car</p>	<p>Reject</p>	<p>Following my announcement in January 2014, the Mayoral car is no longer in use.</p> <p>However the primary cost of the Mayor's car is the driver's pay. Removing this cost does not provide for the proper treatment of staff as it does not consider redeployment or redundancy costs.</p>
<p>Cut the Chief Executives (sic) cost for Mayoral advisors/consultants</p>	<p>Reject</p>	<p>The funding allocation for the Mayor's office has been thoroughly calculated based on comparable Mayoral Offices reflecting the increased workload undertaken by the Mayor's Office in a new Executive Mayoral System.</p> <p>Only 0.03% of the Council's budget is spent on specialist advice</p> <p>The costs of the Mayor's Office are comparable to other London Councils with Mayoral Systems including Newham, Lewisham and Hackney.</p>

		<p>In 2010, the Tower Hamlets electorate voted for a strong Mayoral System, which I am committed to delivering.</p> <p>Receiving independent advice and support enables me to deliver the pledges on which I was elected, and other Mayoral policy projects, including replacing the EMA, building the most affordable homes in the UK, absorbing council tax benefit and keeping all libraries, youth centres and children's centres open.</p>
Remove Community Ward Forum Funding following completion of the 2013/14 programme pending review.	Reject	<p>The Community Ward Forum are the new, most localised element of the Tower Hamlets Partnership structure. They enable residents to raise, discuss and address local service priorities by promoting dialogue with service providers and commissioning through participatory budgeting. They promote the development of social capital, enabling even more residents to be supported.</p> <p>They help to fulfil our commitment to the One Tower Hamlets principle to create community leadership and a powerful public.</p> <p>Participatory budgeting is a core element of the programme, enabling residents to shape local solutions.</p> <p>I believe that for Ward Forums to be successful they require a consistent approach and support from the Council. Cancelling next year's funding would reduce residents' confidence in this system of participation.</p>
Savings from the reduction to 45 councillors	Reject	<p>This saving has already been reflected in the budget proposals.</p> <p>The saving delivered in the 2014/15 budget will mainly be used to provide further funding for the election.</p> <p>Ensuring that the election process is properly resourced is key and resources should not be diverted away from it.</p>

<p>Delay decision on Town Hall pending options review</p>	<p>Reject</p>	<p>The Council will be unable to stay in Mulberry Place after 2020 and we require a decision on where the Town Hall should be relocated to.</p> <p>Council Officers have undertaken a thorough review of the possible options, including using Council assets. They have concluded that there is no current Council building which would be suitable.</p> <p>The Council is currently in a commercially advantageous position with NHS Barts on the purchase of the Royal London Hospital Site, through the public assets register disposal procedure.</p> <p>Delaying this decision, would likely lead to the loss of this unique opportunity.</p> <p>Any delay on the purchase of the site would likely mean that NHS Barts would offer the site on the open market and the Council would have to compete with residential developers, increasing the value of the site by £4-5m.</p> <p>Any other site large enough for a Town Hall would require the Council to compete for the site on an open market and pay a higher residential value.</p> <p>Losing the opportunity to build the Whitechapel site would also end the opportunity to bring public services together to create a 21st century hub and contribute to the regeneration of Whitechapel as expressed in the Whitechapel Vision.</p>
<p>Spending Proposals</p>		
<p>Provide universal free school meals for all primary pupils</p>	<p>Reject</p>	<p>This proposal only funds Free School Meals until March 2015, not for the entire School Year.</p> <p>This is irresponsible financial planning and would not give parents financial security around their delivery nor schools the confidence to invest in the capital</p>

		<p>and staff expenditure required to deliver further Free School Meals.</p> <p>I have instructed officers to draw up proposals which would provide funding for Free School Meals for all primary school children for the whole of the next two academic years, to be brought for discussion and agreement at Full Council on March 26th 2014.</p>
<p>Provide funding to develop a council run lettings agency to support people into the private rented sector</p>	<p>Reject</p>	<p>I am committed to improving standards in the private rented sector.</p> <p>This is an issue raised by the Fairness Commission and through work undertaken by TELCO.</p> <p>However, I do not accept that this proposal would improve standards in the private rented sector.</p> <p>This scheme could be beneficial for those tenants who can rent through it.</p> <p>However it is unclear how many landlords would be willing to rent through this agency.</p> <p>This would result in it “creaming off” those landlords who are willing to agree to lower rents, longer leases and high standards of repairs.</p> <p>The current market is a “landlords” market, in which renters outnumber properties and landlords are able to charge high rents and offer poor services.</p> <p>In these circumstances the system of competition will not work to raise standards.</p> <p>If successful, this would simply create a small pool of a few well managed, maintained and good rental level properties.</p> <p>Standards in the rest of the market will remain the same or fall.</p>

		<p>Instead we are already investigating alternative ways to improve standards and officers are starting to gather the evidence required to put together a landlord registration scheme and pilot it.</p> <p>This will help us to shape the policy, iron out any unintended consequences and put in place a system which works for private renters and encourages landlords to improve standards.</p>
Restoration of Victoria Park firework display	Reject	<p>I am committed to holding fireworks displays in parks across the borough, enabling more of our residents to attend.</p> <p>I have tasked officers to seek sponsorship opportunities for contributing towards the future fireworks displays.</p>
Build capacity for council house building programme	Reject	<p>This work is already undertaken in the Council.</p>
Restoration of 24 hours noise service at weekends	Reject	<p>The Council already responds to noise issues throughout the weekend.</p> <p>The Council operates a specific noise service during the busiest hours at the weekend.</p> <p>When the noise line is closed (3.30am-8.30pm on weekends) the line is diverted to the CCTV room and THEOs are available to address the noise complaint.</p>
Neighbourhood community safety plan (from existing resources)	Reject	<p>This activity is already taking place.</p> <p>We currently already operate four Anti-Social Behaviour Boards – one in each neighbourhood area. Each has an Anti-Social Behaviour action plan.</p> <p>This is a Partnership action plan between the Council and the police.</p>
Expansion of sniffer dog patrols to tackle drug dealing	Reject	<p>Sniffer dogs are already used by the police when they are required.</p> <p>In addition Tower Hamlets Homes purchase additional dog patrols to tackle specific problems on certain estates.</p>

		<p>This service is available to other RSLs should they require it.</p> <p>Additional sniffer dog patrols would be superfluous.</p>
<p>Deliver the final recommendations from RSL co-regulation scrutiny review specifically in relation to the tenants' panel.</p>	<p>Reject</p>	<p>We already ensure that tenants are able to uphold complaints through Councillors and the Mayor.</p> <p>The Council currently works individually with RSLs to address residents' complaints which come through the democratic filter, as per the requirements of the Localism Act 2011.</p> <p>In addition Tower Hamlets Homes are exploring the possibility of a tenants' complaints panel, which could be further expanded should other RSLs chose to engage.</p> <p>This recommendation relies on the borough's registered providers being involved in delivering this panel. Whilst this would be possible with Registered Social Landlords with a strong involvement in the Tower Hamlets Housing Forum, but would be hard to achieve with large Registered Providers who hold stock outside the borough.</p> <p>We are investigating the possibility of developing an agreement with Registered Social Landlords on standards relating to resident complaints.</p>
<p>Public realm and park improvements</p>	<p>Reject</p>	<p>The council continues to invest in its parks and improve quality for all users and we have funded over £20m of works to parks since 2010.</p> <p>This investment has been reflected by awards, including Victoria Park being voted the UK's Peoples Park in 2012.</p> <p>This additional spend of the arbitrary amount of £125,000 is unnecessary and is barely a 16th of the overall funding we</p>

		have already delivered.
Move funding allocated for Town Hall to separate earmarked reserve	Reject	Please see comments above.

3. RECOMMENDATION

- 3.1 Agree a total funding requirement for Tower Hamlets in 2014/15 of £293.933m and a Council Tax requirement of £66,396,000.
- 3.2 Agree a Council Tax for Tower Hamlets in 2014/15 of £885.52 at Band D (excluding the GLA precept).
- 3.3 Approve the statutory calculations of this Authority's Council Tax Requirement in 2014/15, detailed in Appendix A to this motion, undertaken by the Chief Financial Officer in accordance with the requirements of Sections 31 to 36 of the Local Government Finance Act 1992.
- 3.4 Approve the Treasury Management Strategy Statement, the Annual Investment Strategy and the Minimum Revenue Provision Policy Statement as presented to Cabinet on 5 February 2014.
- 3.5 Approve the General Fund Capital and Revenue Budgets and Medium Term Financial Plan 2014-2017 as amended by the alternative options as agreed by the Mayor in Cabinet on 5 February and as set out in the report of the Mayor in Cabinet and as summarised in the tables in the appendix below.