

Mayor's Foreword to the Council's Budget Report

At last May's election I made a series of promises to residents of what I would do if re-elected. My manifesto was an ambitious agenda for change and this Budget brings forward proposals to meet many of those commitments over the next three years. This draft Budget includes new initiatives to make Tower Hamlets safer, support our young people, tackle the housing crisis, reduce poverty and inequality, improve health outcomes, clean up our streets and improve our air quality – these are the priorities residents voted for last May.

The challenge facing us however is stark. For the best part of a decade local authority budgets have been under siege. In Tower Hamlets the council's core funding has been cut by £148m since 2010 – equivalent to 64%. As a result, around a third of the council's staffing posts have gone. At the same time our population has boomed and the expectations of residents have rightly grown. Over the coming three years the council expects to have to save a further £44m while continuing to improve the services we deliver.

There is no doubt that balancing our Budget has meant difficult decisions but by being honest and engaging with residents directly we have been able to focus our funding on what residents value most - protecting frontline services.

Our residents surveys, including the consultation on this Budget, show that people are worried about the funding of local services and that there is clear anxiety about the austerity policies of the Government. Local people want a council which is properly funded to provide all the services they expect from a modern local authority. But with more cuts, Brexit and the Government's impending 'Fair Funding Review', which we think may lead to further cuts, on the horizon, there is no escaping that until the position of Government changes, we will continue to face challenging times ahead.

A Budget for a cleaner, safer, fairer Tower Hamlets

This draft Budget sets out my Administration's proposals for the council's Budget over the coming three years. Our priority has been to protect our frontline services as much as we can by making the council more efficient. That is why a large slice of savings are coming from streamlining back office council functions and embracing new technologies to make our services more efficient.

Over 2,000 residents, businesses and community groups took part in our recent 'Your Borough, Your Future' consultation setting out their ambitions for the council. These chimed with the ambitions set out in my manifesto, and so I am confident we are heading in the right direction.

Residents highlighted Community Safety, Housing, Children's Services and Education as the areas the council should prioritise. This Budget invests in all of these areas with a new dedicated ASB team as well as additional funding to refresh our street scene and help design out bad behaviour. We have already allocated £332m of capital funding to providing more council homes and temporary accommodation with ambitions to bring forward new schemes and additional funding shortly. This Budget also proposes further investment in services to help the most vulnerable families and children as well as additional funding to support our schools and an extra £1m for new early years initiatives to help our youngest residents get the best start in life.

By taking difficult decisions over the past three years and making our services more efficient we have been able to focus our resources on what residents tell us are their priorities.

- A major expansion of our flagship 'Love Your Neighbourhood' scheme to refresh our streets and improve our street scene.

- New funding to improve our waste service and clean up our borough
- A new team of ASB enforcement officers to keep our streets safe
- £332m for new council housing schemes and temporary accommodation
- Investment in Early Years education for our youngest residents
- Additional support for our schools through our Tower Hamlets Education Partnership
- Extending Free School Meals for another year
- Expanding our tackling poverty efforts
- A new team to remove graffiti and tidy up the borough
- Funding for two new secondary schools in the borough
- Investment in a new footbridge across South Dock on the Isle of Dogs
- Scrapping the charge for street parties to make community gatherings easier
- New measures to incentivise cleaner cars and reduce air pollution

At the same time as investing in key services, unlike many other councils we have been able to keep all our libraries, Idea Stores, leisure centres and children's centres open. We will also continue to fund all our primary school pupils to receive free school meals and to offer one of the most generous council tax reduction schemes in the country protecting our poorest residents at a time of hardship.

We've also protected our landmark events - the Boishakhi Mela and Victoria Park fireworks both of which will return in 2019 along with countless smaller events.

Government cuts have meant difficult decisions

There is no getting away from the fact that the scale of Government cuts has meant difficult decisions. Over the past eight years £148m has been stripped from the council's core government funding. In the coming years we will have to save another £44m as a result of cuts and increases in demand.

The 'Your Borough, Your Future' consultation showed local people understand that challenge and endorse our approach. Asked how they think we should make savings residents said the council should prioritise making services more efficient, income generation and working with the voluntary sector to deliver services – this Budget does all three.

Tower Hamlets currently has the one of the lowest council tax rates in the capital. Our consultation found that over half the residents who responded said they were prepared to support a proposal to increase council tax by up to 3% with over three quarters supporting an additional 1% increase in council tax to support adult social care services specifically.

The scale of cuts means we have little choice but to propose to increase council tax in order to protect frontline services. Indeed, Government is now assuming we will increase your taxes each year. However, I know that it is not just the council struggling to make ends meet. Every day I speak to people who are finding it harder and harder to get by. That's why we have taken the decision this year to recommend to the Council, who must consider and then set it, a rise limited to the rate of inflation - 2.4% - plus an additional 1% we previously agreed and which government expects us to raise to support adult social care. In total this will mean an extra 65p a week on the average property's council tax bill - but with those on the lowest incomes protected entirely by our generous council tax reduction scheme.

These are always hard-fought and balanced decisions. We could delay, but residents know burying your head in the sand doesn't work. Our residents want a council who faces up to its challenges and

invests in their priorities. This is exactly what we are doing. Our overall programme to invest and improve services is ambitious for the borough and its residents.

These are difficult times for local authorities. My colleagues and I passionately believe we need a Government who will work with us to invest in councils and in the public services which help our communities to succeed and prosper. We will campaign passionately for such a government and against the endless cycle of cuts which are holding our community back.

This Budget will focus on making our services ever more efficient and prioritising the money we have on building a cleaner, safer and fairer Tower Hamlets.

Mayor John Biggs

Executive Mayor of Tower Hamlets