

## **Foreword from Mayor John Biggs on the 2021-22 Budget and MTFS 2021-24**

The past twelve months have been among the most difficult ever faced by our community. The Covid-19 pandemic has changed all our lives. And like our amazing NHS, the council has transformed itself to respond to that challenge - changing the way our services are delivered and working with our partners to protect local people and ensure they get the support they need.

Whether it's the food packages for the vulnerable, coordinating thousands of volunteers or our support for community groups, businesses and market traders, the council has been there during the pandemic. Since March we have provided hundreds of millions of pounds to local businesses. Hundreds of thousands to charities and community groups to enable them to step up their work supporting those in need. We've offered advice and support across the borough and provided food and medicine packages for thousands of vulnerable residents.

Services across the council have been transformed, working differently and showing the power of the public sector as a force for good. Our absolute priority has been to keep people safe, and within this to continue to provide the range of services people need and expect.

While the story may ultimately be a positive one in the face of adversity, there is no escaping the fact the pandemic has had a devastating impact on many local people. And it has also hit the council hard, both in our ability to provide services and to fund them. In common with most councils, while many have worked from home, finding where possible new ways to perform their work, none of our staff have been furloughed. We have spent millions more on targeted services needed by residents while the pandemic has continued, while our income has significantly reduced. Government has provided one off support but the impact will be far reaching and long-term. Some aspects of how the council works will never be the same again.

This Budget sets out a roadmap for how we will build back better in Tower Hamlets as we emerge from the Covid-19 pandemic. Investing in the areas residents tell us they value most. Things like free school meals, protecting the vulnerable, children's centres, local community organisations, public health, or getting people into jobs and training and our parks to name just a few.

We have learnt from our experiences of Covid-19 and put forward proposals which build on some of the new ways we had to deliver our services this year – embracing technology and reducing our back-office support functions so that we can focus our resources on the frontline.

Almost 2,000 people responded to our recent *Your Borough, Your Future* consultation and the results have helped us to shape our plans. Those results told us people want to see our Public Health response to the pandemic prioritised alongside services to protect vulnerable adults and children and improve community safety. That is exactly what this Budget does.

Despite the financial challenges facing the borough this Budget sets the groundwork for our recovery from the pandemic. Supporting residents through the crisis, protecting the most vulnerable and tackling inequality will drive our recovery. We will:

- Fund free school meals for all primary school children, one of only four council's in the country to do this.



- Maintain investment to tackle crime and Anti-Social Behaviour (ASB) by funding additional police officers to keep our streets safe, and a council operated ASB service.
- Protect our Children's Centres to give future generations the best start in life.
- Continue our Tackling Poverty Fund providing financial support and advice for our most vulnerable residents.
- Build hundreds of new council homes, three new secondary schools and invest to create Liveable Streets and improve air quality across our borough.
- And we will continue to fund our 100% council tax discount for the poorest in our community, one of the only places in the UK to offer this.

At the same time, we will continue to offer the high-quality services our residents expect. From funding for some of the best schools in the country to investing in our award-winning parks and green spaces. Our borough will continue to be a place people can be proud to call home.

We must recognise that while demand for non-Covid related services, such as for vulnerable children and adults, continues to grow and our core funding from Government continues to decrease, the council's financial position will remain difficult.

Since 2010 Tower Hamlets has had to save £200m from our budget. A decade of government austerity, changes to council funding, and the Covid-19 crisis, means we have to save a further £30 million by 2024. That's £90 per resident.

On top of this, and despite the roll out of a Covid-19 vaccine, the year ahead continues to present significant uncertainty. Even if the public health crisis is resolved, the economic impact of the pandemic is likely to be with us for a long period. This not only affects residents and businesses individually but it also impacts the Council's income base, and demand for some services, especially those supporting those on limited incomes and with care needs.

To pile on the pressure, the year after the coming one a Government funding 'reset' will significantly reduce the amount of locally generated business rates the council gets to keep and this will also mean multi-million-pound losses. We need to anticipate and plan for this in the coming year. The overall challenge is stark.

The above is quite a formidable list of pressures, which we have had to deal with and protect residents from. The good news is that, while there will be some pain and some changes to services and our overall capacity as a result of these pressures, we have found a way forwards which we think is both sustainable, minimises avoidable upheaval, and will allow us to continue as a council that provides a wide range of support to local residents, particularly those who need help, and a good overall level of universal services for all.

We cannot pretend there will not be difficult decisions though. Our *Your Borough, Your Future* consultation found that around half of people (47%) were willing to support a council tax rise in order to protect local services. Nobody wants to increase council tax, particularly given the challenges we have all faced this year. However, Covid-19 has also highlighted just how important many of the council's services have been to local people. As a result, we are proposing a 1.99% council tax rise next year, the equivalent to an extra 40p per week for the average household.

Our consultation also showed that local people rank protecting vulnerable residents as a key priority. Like many councils we have fought for many years for better funding for Adult Social Care. It is a scandal that instead of properly funding care for the elderly and vulnerable the Government has once again told councils to introduce an extra 3% Adult Social



Care Precept to fund the increasing costs of caring for vulnerable people. This is not the way our care system should be funded, but until we see change, councils have little choice but to adopt the extra precept in order to keep those who need support safe. Together with the 1.99% increase in our 'core' council tax, this will mean the Council part of the bill will increase by 4.99% next year. A similar increase is likely to be made by most councils in London. Even after these changes Tower Hamlets will likely continue to have one of the lowest council tax levels in London.

We will also continue our 100% council tax discount scheme so that those on the lowest incomes will not have to pay a single penny of council tax.

We know these are difficult times, but we have also seen the value local people have placed in public services over the past year. Not only clapping for the NHS, but for carers and the council workers who have kept our community safe and running during the pandemic.

This Budget protects and invests in the services residents tell us they value most. Universal services – like well-maintained parks, a cleaner environment, safer streets, a network of Idea Stores, free school meals for all primary school children, more police officers on the streets together with our ASB service, children's centres protected, hundreds of new council homes to be built and a tackling poverty fund to support those most in need.

This is a Budget based on fairness which protects our community and will set us on the right course to recovery from Covid-19.

**Mayor John Biggs**

Executive Mayor of Tower Hamlets

