

Mayor's Foreword to the MTFS report

Tower Hamlets is a diverse, dynamic, and exciting place to live - which is why it is the fastest growing place in the country, with our population increasing by around 11,000 every year. Our Borough contributes billions to the UK economy and hosts some of the Country's biggest businesses; yet at the same time thousands of our residents live in poverty and are unable to access the opportunities they need to succeed.

I was elected in 2015 with a clear and positive vision for Tower Hamlets. We are committed to making every neighbourhood in the Borough a great place to live, with excellent public services and a high quality environment for all communities to enjoy. We want to build a more equal and socially just Borough, in which the Council supports vulnerable people to live with dignity and security, and in which our diverse communities are treated with respect. We are ambitious for residents, and want the Council to play a bigger role in maximising jobs and training for local people and ensuring that growth reduces inequality, rather than entrenching it.

Our new Budget seeks to deliver our vision; but we face two significant barriers. Firstly, our resources are shrinking due to continued government austerity and growing demand for services. Our Medium Term Financial Strategy requires us to make £58m in savings over the next three years - which means saving £1 from every £6 we currently spend. Secondly, we inherited a Council left in chaos by the former Mayor, including a Budget that was not fit for purpose, with key services badly underfunded and others hollowed out. For several years, reserves had been run down to cover gaps, rather than being used to improve the frontline services residents rely on.

Our Budget challenge is clear – to make savings of £58m while repairing this damage and investing in services that will deliver our positive vision for Tower Hamlets. We set out three key principles to meet this challenge:

1. We believe that the most vulnerable members of our community deserve to live with dignity and security. So **we will protect the vital services that vulnerable people rely on.**
2. As a foundation for our decision making, including our budgets, **we pledged to be transparent and to work in partnership with local people.** We strongly believe in supporting a united community in Tower Hamlets based on celebrating our diversity, building mutual respect between people and communities, and recognising the contribution made by our strong civic culture and faith communities. This means that we will explain what we are doing and why. **So we will listen to what residents** tell us about the services they value the most, how they want the council to change, and invest in their priorities.
3. We will learn from the mistakes of the previous Mayor, who made short term cuts that caused long term damage. Instead **we will set out a prudent three-year budget that plans for the long-term,** and we will only use reserves to help us to invest in services, not to avoid the tough decisions.

While putting our Budget together we have worked hard to ensure it reflects the views of residents. And we've taken the difficult long-term decisions we need to ensure we can invest in local people's priorities and, at the same time, protecting the services that vulnerable people need most. This is why my draft budget proposals for consideration by Cabinet and Overview & Scrutiny Committee include the following recommendations:

- **Over £30m in savings will be made by reducing back office and support services** – more than half of the savings we need
- **Key services will be transformed and made more efficient,** by looking closely at how our spending compares to other similar boroughs, and we'll provide earlier help to vulnerable people, to prevent them needing much more expensive support in the future
- This year we will implement **the Government's 3% social care precept** in response to the growing crisis in social care, and will raise our portion of

council tax to ensure we can protect local services. But we also recognise that people on fixed incomes find council tax rises more difficult. I am pledging that after this year's increase, other than to meet the pressure for social care, we will minimise any further increases.

By taking these difficult decisions and proposing what is set out below we will ensure that despite a shrinking budget and growing demand for services we have the resources to use the Budget to deliver our vision for Tower Hamlets:

- **Ensuring vulnerable residents get the support they need** - with further funding for social care for children and older people over the next three years. We'll also guarantee funding for free school meals for primary school children, retain 100% Council Tax Reduction for households on the lowest incomes, and implement the Ethical Care Charter
- **Listening to what local people told us about the services they value.** Our Budget keeps all of our Idea Stores and libraries, children's centres, and leisure facilities open, and maintains our network of great parks. And unlike other councils, we're not reducing street cleaning standards, or introducing fortnightly bin collections, because residents have told us clean streets are important to them.
- **Working towards our vision of making every neighbourhood a great place to live.** We're investing £3m more in improving local neighbourhoods – with more money for roads and pavements, road safety, and to refresh the look and feel of your street. We'll fund a more robust approach to tackling dog fouling, littering, and dumping, to make sure that polluting people pay for their actions, and reward people who change their behaviour through a new Air Quality Fund to tackle pollutants in our air.
- **Providing more opportunities for success, with more jobs and training.** We will work to break down barriers to employment for our residents with extra employment support for the over-50's and BME women and basic English classes to improve skills in literacy and spoken English. We'll open up opportunities to more young people with a Mayor's Apprenticeship Fund, and

invest in infrastructure – building 1000 council homes for rent, and providing free wi-fi throughout the borough.

I welcome a review of my proposals and I will of course consider all submissions received before I recommend the final Budget papers to Council for approval on 22 February 2017.

John Biggs
Executive Mayor