

## **A Green Budget for a Fairer Newham** (Alternative Budget by the Green Group)

### **Political Introduction**

Newham residents have been facing an unprecedented assault on their ability to make ends meet. This crisis is not new and all the main parties bear responsibility.

But it has now become particularly desperate in Newham, with more residents in temporary accommodation than anywhere in the country and half of our children living in poverty. The refusal to properly invest in green energy has left residents facing a surge in energy prices caused by fossil fuel instability. Wages are just not keeping up with inflation.

There has been an intentional attempt by Conservative Central Government to starve local authorities of the funding we need to protect residents. We have seen nothing to suggest that Labour nationally takes this problem seriously enough. Residents will continue to suffer until both main parties do better.

**All this suffering is a political choice.** It is the responsibility of Newham Council to do everything in our power to support residents, and Greens will always recognize this.

Through the hard work and diligence of Green councillors working cross-party with colleagues, the proposed budget and plan for the year ahead already contains multiple Green achievements, including:

- An extra £2.5m to support residents in Temporary Accommodation.
- Significant reductions to the Mayor's office and Communications and Policy teams to protect frontline spending.
- Increases to council tax on second/empty homes to ensure properties are used for homes and not speculative investment vehicles or holiday properties.
- A borough-wide roll out of 20mph speed limits, supporting residents in choosing cheaper forms of travel and making Newham safer for pedestrians, cyclists and people with push and wheelchairs.
- A Food Waste Collection trial to lessen Newham's impact on the planet.

**However, Newham Labour finalized their budget just two days before Councilors are due to vote,** obstructing opposition scrutiny, in addition to intentionally limiting access to information throughout the process. This lack of transparency undermines democracy and has meant **we have been unable to go far enough in protecting the residents who need it most.** Greens support calls by Budget Scrutiny for a more transparent and collaborative approach to budget setting in the future.

**We also believe the council is failing residents by not properly investing money levied on developers in Newham – CIL (Community Infrastructure Levy) – which has left millions unspent,** providing no benefit to residents. We support scrutiny's recommendation for a review of how this money is allocated.

**Nonetheless, we are proud to present this Green Budget for a Fairer Newham to residents and Full Council for consideration.**

- **Over £6m extra to fund free school meals for every secondary school student.** Newham has a proud history of being the first borough to ensure every primary school student eats for free, which has now been made London wide. But we know this is not enough – no child should have to learn on an empty stomach. **Greens will finish what Newham started and ensure every school child in Newham eats for free.**

- **Greens have long believed that Newham’s most vulnerable residents should not pay any council tax at all.** Therefore, we will begin the legally required consultation of **increasing our council tax reduction scheme to provide a 100% reduction for those who need it most.** This consultation can be funded within existing budgets.
- From the historic landmark that is Queen’s Market, to the Stratford Centre, Newham’s market traders play a vital role in our community. **Greens will ensure residents and local small businesses are supported by rejecting Labour’s proposed increase in market rates and reversing last year’s increase.** This £200,000 investment will reduce the burden on traders, support jobs, and make food more affordable for Newham residents.
- **We will ensure all Newham residents will benefit from our borough-wide 20mph program sooner** by rolling out the program over one year instead of two. We believe this £800,000 investment can be funded by unallocated CIL funds. This makes Newham safer for pedestrians and cyclists more quickly and enables residents to choose safer, greener, and cheaper ways to travel.
- **£240,000 will be spent on a 50% increase in secure cycle parking spaces.** Residents will only be able to travel by bike if they have a safe place to store it and this investment will give more residents access to cheaper, healthier ways to get about.
- Greens believe we have a duty to give residents the tools to make the right decision, not simply fine them for wrongdoing. **We will make the bulky waste collection system free and review making it easier to use.** This £500,000 investment makes the greener, cleaner decision affordable for residents and ensures waste is properly reused and recycled, not left on Newham’s streets.
- **Stratford was recently named London’s Culture Capital and Greens take protecting this seriously.** Stratford Circus Arts Centre has already been replaced with a youth zone, and now Labour has proposed scrapping the Theatre Royal Stratford East’s £250,000 grant. We believe Newham’s residents deserve access to affordable, industry-leading arts. This theatre boosts residents’ mental health, strengthens cultural ties, and supports child development. Greens will therefore protect this vital funding.

We have funded these commitments by thoroughly scrutinizing Labour’s proposed funding commitments and reallocating them where they do not provide direct benefit to Newham’s residents. We have also reverted contingencies to levels originally proposed in the draft budget recommended by Cabinet and signed off by finance officers in January, to put funding directly into frontline support for residents. We are confident this is a sound and safe way to form our budget.

- When Newham residents are struggling more than ever, **spending £300,000 on increasing councillor allowances as proposed would be unconscionable** – we will save almost £250,000 by only applying the inflationary increase staff have received to ensure lower paid councillors can continue to serve in their role. Greens believe that a significant reform to councillor allowance funding needs to be made by central Government to ensure councillors can deliver for residents, but this is not the financial context in which to do it.
- **We will reduce the number of councillors on the Mayor’s payroll to end the culture of jobs-for-mates we have seen become endemic in Newham.** This undermines scrutiny and does not provide value for money. This measure will raise over £180,000 by scrapping the special allowance for Deputy Cabinet Members and Commissioners (Band 4), who have no formal decision-making powers.
- **While Greens have already achieved hundreds of thousands of pounds in reductions in the Mayor’s Office and Communications and Policy Teams** through the Budget Scrutiny process,

we believe the Council can be even more ambitious in focusing funding on frontline services. **Greens will raise £476,000 from further reductions to these teams.**

- Recent changes to the budget since it was first proposed have increased the amount of money allocated to various contingencies by £3.6m – we do not believe that this is an appropriate use of that money when residents are struggling. **There are already substantial sums allocated to areas of our budget facing pressures**, which have been scrutinized for suitability by officers, cabinet, and Budget Scrutiny. **Greens would require departments to keep increased spend within these sizeable allocations** and repurpose these new contingencies to support residents.
- **Greens would cancel Newham’s borough of culture bid.** We believe culture is important but at a time of severe financial pressures, we think the focus must be on **safeguarding Newham’s existing and valuable cultural amenities**. The experience of past boroughs of culture also leads us to believe that this scheme often does not deliver value for money for taxpayers. Despite Labour promising a thorough review of the bid, Greens have discovered a further £60,000 still allocated to it.
- **We believe there is a total of £0.9m allocated to growth bids that are nice to haves or which do not deliver immediate value for Newham’s residents**, or which can wait for a better financial context. Greens would not go ahead with the following growth proposals at this time: MAR-GRO-02, I&E-GRO-01, I&E-GRO-03, DIG-GRO-01 and DIG-GRO-07.
- **Greens will save £340k from the DIG-GRO-05 and DIG-GRO-06 growth bids by refocusing them to ensure money is only spent where it cannot be avoided** – on license renewals for Newham's websites.
- Greens understand that the council has a responsibility to reach out to older and more vulnerable residents, but the administration is already proposing substantial cuts to Newham Magazine, which leaves it providing little value to Newham residents. We need to focus funding where it will help essential services across the whole borough and a print magazine no longer makes sense. **Greens will scrap the Newham Magazine altogether**, which will save a further £46,000.
- The existing budget includes over £16m worth of **non-strategic asset sales** to delay the impact of cuts on Newham’s residents. Bluntly, Newham will struggle to form a budget in future years without substantial changes in the Government’s approach to Local Government. We propose **to increase this overall value by just 2%**. This incremental adjustment would allow Newham Council to protect our most vulnerable residents, and officers have advised this would not materially impact the delivery of council priorities.

**This Green Budget for a Fairer Newham goes as far as we have been able to in protecting Newham’s most vulnerable residents**, despite significant instability and obstruction from the Labour administration. We thank officers who have supported us in producing it, and the Green Group recommend it to Full Council for approval.

## Proposed alternative budget

Additional revenue savings	£'000
Limit councillor allowance increase to 3.88% and creation of a new Band 1 SRA (CORP-GRO-11)	248
Abolish 9 Grade 4 councillor SRAs (Deputy Cabinet members and commissioners)	183
Further reductions to the Mayor's office	86
Further reductions to Policy and Communications Teams	390
Reversing increase to General contingencies made after publication of Draft Budget	521
Repurposing Social Care contingency made after publication of Draft Budget	3,100
Cancel Borough of Culture bid and any associated spend	60
Delete MAR-GRO-02 – Cultural Strategy Lead	250
Delete I&E-GRO-01 – Infrastructure Planning Function	120
Delete I&E-GRO-03 – Developer contributions team redesign	162
Delete DIG-GRO-01 – Future management of enterprise data infrastructure	300
Delete DIG-GRO-07 – Financial services system	70
Reduce planned growth in Digital Staff / JADU (DIG-GRO-05)	340
Scrap Newham Magazine	46
Increased capital disposals	344
<b>Sub-total additional savings</b>	<b>6,220</b>
Additional revenue growth	
Second school free school meals + financing and MRP costs	5,200
Consultation on 100% council tax reduction scheme	0
Remove the planned increase for Market Trader fees in 2024/25 and reverse the 2023/24 fee increases	200
20mph program rollout acceleration financing and MRP costs (assuming it is not funded by CIL)	55
50% secure cycle parking expansion financing and MRP costs	15
Free bulky waste collection	500
Delete MAR-SAV-10 – Cut to Theatre Royal Grant	250
<b>Sub-total additional growth</b>	<b>6,220</b>
<b>Net change from Administration's proposals</b>	<b>0</b>
Deletions from capital programme	£'000
<b>Sub-total deletions</b>	<b>0</b>

<b>Additions to capital programme</b>	
Secondary school free school meals	850
20mph program rollout acceleration (assuming it is not funded by CIL)	750
50% secure cycle parking expansion	225
<b>Sub-total additions</b>	<b>1,825</b>
<b>Net change from Administration's proposals</b>	<b>1,825</b>

### **Advice from the Section 151 officer**

My statutory statement under section 25 of the Local Government Act 2003 is set out in the budget report.

If this Alternative Budget were instead to be adopted by Council, then my advice in respect of it would be different in the following regard. This alternative budget proposes reducing the contingencies available by £3.6m. It also relies slightly more (£0.3m) on capital receipts than the Administration's proposed budget

### **This poses three significant issues**

Firstly, my professional advice has been to include these as contingencies in the budget. They are held against very real and plausible financial risks. Of this, £3.1m is the additional social care grant announced by DLUHC between the provisional and final local government settlements. Government's clear intention was that this should be used for social care. It is true that under very strict accounting requirements, since Newham has budgeted to increase planned expenditure on Social Care by more than the increase in ring-fenced resources issued to the Council, the overall Alternative budget proposed would meet the required test. However, it would be possible that, if this Alternative budget were to be adopted, that DLUHC or another government department may wish to query whether their policy intention was being met. This Alternative budget also proposes a reduction of £0.5m in the general contingency. Whilst the figure allocated to contingency is not a matter of precise calculation this proposal is nonetheless, whilst lawful, against my advice.

Secondly, the overall reduction in contingency of £3.6m would increase the risk of overspend in 2024/25. Given the level of overspend in current year and the need to seek to minimise the risk of a repetition in 2024/25 any reduction to the contingency should be carefully considered. Adopting this Alternative budget may mean that the Council needs to consider further in-year cuts during 2024/25 should an overspend be reported.

Thirdly, the Alternative budget proposes free school meals for secondary school children from September 2024, so for two-thirds of the financial year, which would cost an estimated £5.2m in 2024/25, once account is taken of those already entitled to universal free school meals. Unless the policy were then to be reversed (for the avoidance of doubt, halted after the Spring term) then the uninflated full-year cost in 2025/26 would therefore be £7.8m.

Taken together, this reduction in the contingency budget and the further costs that may then be incurred in 2025/26 mean that this Alternative budget presents a greater risk and is therefore less prudent than that proposed by the Administration. It also proposes a consultation on increasing the maximum discount on council tax to 100%. It is true that the costs of the consultation could be met from existing budgets, but consultation creates at least a legitimate expectation that the proposal may be implemented. If this were to be implemented in 2025/26 then would come with a substantial further cost, in the region of £2m to £3m depending on the exact design of any future scheme and similar matters.

Members must be mindful, in view of the very significant funding gap identified for 2025/26, that they had a more prudent option available to them in the form of the Administration's proposed budget. Voting for the Alternative instead would reduce the contingencies available and increase the level of savings required in 2025/26, thereby making the long-term financial position more challenging as a result.