



CABINET

Tuesday, 30 January 2018 at 5.30 p.m.

BUDGET 2018/19

DOCUMENT PACK

(NEW PACK FOR 30 JANUARY CABINET ONWARDS)

**Cabinet
(30 January 2018)**

**Council
(21 February 2018)**

Please note

It is important that all members of the Council attending the above meetings bring this document pack with them.

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Agenda Item 5.1

Cabinet 30 th January 2018	 TOWER HAMLETS
Report of: Zena Cooke, Corporate Director of Resources	Classification: Unrestricted
The Council's 2018-19 Budget Report and Medium Term Financial Strategy 2018-21	

Lead Member	Councillor David Edgar, Cabinet Member for Resources
Originating Officer(s)	Neville Murton
Wards affected	All wards
Key Decision?	Yes
Community Plan Theme	One Tower Hamlets

EXECUTIVE SUMMARY

In February 2017, and following a rigorous process to establish the options for closing an estimated £58m budget gap, the Council agreed a 3 year budget and Medium Term Financial Strategy (MTFS) for the period 2017-2020, which included specific actions and approval for agreed savings of £52m that would need to be delivered to achieve a balanced budget over that period.

As part of the Council's annual budget cycle, this report reviews and updates the assumptions made in that report for the years 2018-2020 and incorporates a new year, 2020-21, to maintain the Council's three year MTFS.

The assumptions set out in last year's MTFS for 2018-19 have been specifically reviewed to allow members to agree a balanced budget and Council tax requirement for that year.

Whilst 2018-19 is the third year of the government's four year guaranteed funding settlement, the introduction of a London-wide business rates retention pilot scheme and the Council's decision to participate will have an impact on the resources the Council receives through Revenue Support Grant and Business Rates and this change for 2018-19 is considered in this report.

In addition, further demographic and inflationary budget pressures together with mayoral priority growth proposals have also been identified and the action that is needed to meet these additional commitments over the existing MTFS assumptions are presented in this report.

The impact on the Council's MTFS of the Chancellor's Autumn Statement that was announced on the 22nd November 2017 and the 2018-19 provisional local government finance settlement which followed on the 19th December 2017 are also considered in this report. However, it should be noted that the final settlement is

expected to be announced shortly and therefore the figures and assumptions within the report could be subject to change and may need to be updated before being submitted for Full Council approval on the 21st February.

A summary of the projected General Fund budget for each of the three years 2018 - 2021 is shown in Appendix 1A with a more detailed service analysis in Appendix 1B.

The report also includes revised assessments of the Dedicated Schools Grant (DSG), Housing Revenue Account (HRA) and a 10 year Capital programme.

RECOMMENDATIONS

The Mayor in Cabinet is recommended to :

1. Agree a General Fund Revenue Budget of £343.703m subject to any changes arising from the Final Local Government Finance Settlement.
2. Agree the Council Tax (Band D) at £986.14 for 2018-19 to be referred to Full Council for consideration.
3. To authorise the Corporate Director, Resources after consultation with the Mayor and Lead Member of Resources to make any changes required to the budget following the final settlement announcement in February.
4. Approve the revised Capital Programme for the period to 2027-28; as detailed in Appendix 9A-D and adopt the associated capital estimates.
5. Approve the draft 2018-19 Housing Revenue Account budget as set out in Appendix 8A
6. Approve the draft 2018-19 Management Fee payable to Tower Hamlets Homes (THH) of £30.979m as set out in Table 4.
7. Note that under the Management Agreement between the Council and THH, THH manages delegated income and expenditure budgets on behalf of the Council. In 2018-19, THH will manage delegated income budgets totaling £87.101m and delegated expenditure budgets of £25.829m.
8. Note the refreshed strategic priorities and outcomes (Paragraph 3.2.4) for the final year of the three year Strategic Plan agreed by Cabinet in April 2016.
9. Consider and comment on the following matters:

General Fund Revenue Budget for 2018-19 and Medium Term Financial Strategy 2018-19 to 2020-21

The initial budget proposal and Council Tax for 2018-19 together with the Medium Term Financial Strategy set out in Appendix 1A.

Note the decision made by the Mayor in Cabinet to participate in the London Wide Business Rates Retention pilot scheme and also reflecting the Mayor's instruction that the case for greater local retention must be vigorously pursued.

Note the decision of the Mayor in Cabinet to increase the Council Tax empty homes premium from 50% to 100%. These changes will require primary legislation in parliament to amend section 11b of the Local Government Finance Act 1992 and will not be completed for the 2018-19 financial year.

Budget Consultation

The outcome of consultation so far with business ratepayers, residents and other stakeholders is set out in Section 3.13 and Appendix 10.

Funding

The funding available for 2018-19 and the indications and forecasts for future years as set out in Section 3.4.

Growth and Inflation

The risks identified from potential growth and inflation commitments arising in 2018-19 and future years together with new initiatives identified as Mayoral Priority Growth as set out in Section 3.5 and Appendix 3.

Savings

New proposed saving items to be delivered in 2018-19 and 2020-21 as set out in Section 3.6 and Appendix 4 of the report.

Financial Risks: Reserves and Contingencies

The strategic budget risks and opportunities as set out in Section 3.7 and the assessment of risk as detailed in Appendix 6.

Reserves and Balances

The proposed approach to the strategic use of reserves as set out in Section 3.8 and the projected movement in Reserves as detailed Appendix 7.

Schools Funding

The position for schools' funding including the Dedicated Schools Grant as set out in Section 3.9.

Housing Revenue Account

The position of the Housing Revenue Account as set out in Section 3.10 and Appendix 8A and B

Capital Programme

The Capital Programme to 2027-28; including proposed revisions to the current programme as set out in Section 3.11 and detailed in Appendix 9A-D.

1 REASONS FOR THE DECISIONS

- 1.1 The Council is under an obligation to set a balanced and sustainable budget and to set the Council Tax levels for the next financial year by 11th March 2018 at the latest. The setting of the budget is a decision reserved for Full Council. The Council's Budget and Policy Framework requires that a draft budget is issued for consultation with the Overview & Scrutiny Committee to allow for their comments to be considered before the final budget proposals are made to Full Council.
- 1.2 The announcements that have been made about Government funding for the Council in the Autumn Statement and the Provisional Local Government Finance Settlement require a robust and timely response to enable a balanced budget to be set.
- 1.3 The Council is in the third year of the 4 year 'guaranteed settlement' from the government. A Medium Term Financial Strategy (MTFS) covering the entirety of the resources available to the Council is considered to be the best way that resource prioritisation and allocation decisions can be considered and agreed in a way that provides a stable and considered approach to service delivery and takes into account relevant risks and uncertainty.
- 1.4 As the Council develops its detailed proposals it must continue to keep under review those key financial assumptions which underpin the Council's MTFS; in particular as the Council becomes ever more dependent on locally raised sources of income through the Council Tax and retained business rates these elements become fundamental elements of its approach and strategies.
- 1.5 The Mayor is required by the Local Government and Housing Act 1989 to determine a balanced Housing Revenue Account (HRA) budget prior to the start of the new financial year. The Council must also approve the Management Fee payable to Tower Hamlets Homes (THH) so that it can fulfil its obligations under the Management Agreement to manage the housing stock on behalf of the Council.
- 1.6 In accordance with Financial Regulations, capital schemes must be included within the Council's capital programme, and capital estimates adopted prior to any expenditure being incurred. This report seeks the adoption of the necessary capital estimates for various schemes in order that they can be progressed.

2 ALTERNATIVE OPTIONS

- 1.1 The Council is required to respond to the budget reductions in Government funding of local authorities and to set an affordable Council Tax and a balanced budget, while meeting its duties to provide local services. This limits the options available to Members. Nevertheless, the Council can determine its priorities in terms of the services it seeks to preserve and protect where possible, in the context of its understanding of need and inequality and to the extent permitted by its resources, those services it wishes to prioritise through investment, during a continued period of budget reductions.

2.2 The Council has a statutory duty to set a balanced HRA and provide THH with the resources to fulfil its obligations under the Management Agreement. Whilst there may be other ways of delivering a balanced HRA, the proposals contained in this report are considered the most effective, in realising all the council's statutory duties having regard to the matters set out in the report.

3 DETAILS OF REPORT

3.1 BACKGROUND

3.1.1 In February 2017 the Council agreed a balanced budget for 2017-18 and a Medium Term Financial Plan (MTFP) to 2019-20 identifying savings of £52m to be delivered over the medium term period and a requirement to use £2.8m of general fund reserves. This was done in the context of some certainty over government grant funding levels afforded by signing up to the four year guaranteed funding settlement covering 2016-20.

3.1.2 Following this and as we enter into the third year of the 4 year funding deal, there have been a small number of changes including the chancellors autumn statement and provisional settlement announcement, the agreement by the government to the introduction of a London-wide business rates retention pilot, the addition of a further year to maintain a three year MTFS and revised assessments of growth, inflation and corresponding action that is required to maintain a balanced budget.

3.1.3 This report updates members on the impact of all of these changes, and identifies the additional proposals that will inform consideration of the budget package by the Overview and Scrutiny Committee.

3.1.4 The main body of the report is in eleven sections:

- Strategic Approach (Section 3.2)
- Medium Term Financial Strategy & Proposed Budget (Section 3.3)
- Financial Resources (Section 3.4)
- Budget Pressures and Growth Allocations (Section 3.5)
- Savings Proposals (Section 3.6)
- Risks and Opportunities (Section 3.7)
- Reserves (Section 3.8)
- Schools' Funding (Section 3.9)
- Housing Revenue Account (Section 3.10)
- Capital (Section 3.11)
- Treasury Management Strategy (Section 3.12)

3.1.5 The key planning assumptions that support the draft budget proposals are set out below and in the attached appendices.

3.1.6 In developing these proposals the Council has taken account of the government's measure of the total resources that it believes are available to each Council. This is known as Core Spending Power (CSP) and reflects the government's assumptions for a number of key grants, retained business rates and Council Tax.

3.1.7 The Council's CSP calculation is attached as Appendix 2; the most recent

calculation reflects the following changes:

- The impact of changing the New Homes Bonus methodology;
- The additional announcement of the improved better care fund to support increased pressures in social care; and
- Revised assumptions on the level of assumed Council Tax increases for inflationary purposes.

3.2 STRATEGIC APPROACH

- 3.2.1 The Council continues to implement an Outcomes Based Budgeting approach to delivering its MTFS for the period 2018 to 2021. This approach puts the Council's Strategic Priorities and outcomes for its residents at the heart of financial planning and decision making and aims to directly link how resources are allocated through budgeting mapped to the strategic priorities of the Council.
- 3.2.2 An outcomes based approach considers the efficiency and effectiveness of the Council's services by evaluating comparable information such as financial benchmarking and outcome performance measures. This information provides the starting point for critically reviewing the Council's relative performance and provides the basis and evidence for its budget decisions.

Strategic Plan 2016-19

- 3.2.3 In April 2016 Cabinet agreed a three year Strategic Plan focusing on improving outcomes for local people, shaping the borough and delivering sustainable improvements in the way the Council operates. The Plan is refreshed annually to ensure it is aligned with emerging priorities for the organisation and borough. As part of the annual review Cabinet agreed a refreshed plan and delivery plan in April 2017. The Council's strategic approach is to focus on improving outcomes which means the final year Strategic Plan will be developed along the Outcomes Based Accountability framework. This will strengthen the organisation's ability to assess the impact of resources on delivering outcomes. The Council will review the strategic activities and performance measures and ensure there is alignment with the emerging themes of the borough-wide Community Plan that is being developed by the Tower Hamlets Strategic Partnership. The Council's Strategic Plan accompanied by a Delivery Plan and refined Strategic Measures will be reported in March 2018 and ensure the organisation's business planning and performance management and accountability framework reflect the revised approach.
- 3.2.4 In line with this approach the revised strategic priorities and outcomes are set out below:

Priority 1: People are aspirational, independent and have equal access to opportunities

Outcomes we want to achieve	Children and young people feel they are protected and get the best start in life and realise their potential
	People access a range of education, training, and employment opportunities and feel they share the benefits from growth
	People access joined-up services when they need them and feel healthier and independent
	Inequality is reduced and people live in a cohesive community

Priority 2: A borough that our residents are proud of and love to live in

Outcomes we want to achieve	People live in a borough that is clean and green
	People live in good quality and affordable homes and neighbourhoods
	People live in safer neighbourhoods and anti-social behaviour is tackled

Priority 3: A focussed and efficient Council co-producing excellent services

Outcomes we want to achieve	The Council is open and transparent putting residents at the heart everything we do
	The Council works collaboratively across boundaries in strong and effective partnerships to achieve the best outcomes for our residents
	The Council continuously seek innovation and strives for excellence to embed a culture of sustainable improvement

- 3.2.5 An analysis of the Council's net expenditure in 2017-18 against each of these strategic priority areas is presented in Table 1 below. However, in developing its budget proposals the Council has recognised that it is equally important to consider both the gross expenditure and income components of the budget when reviewing outcomes and performance.

Table 1 – Net Expenditure 2017-18 – Priority Analysis

Priority Area	2017-18 Budget £m
Children and young people feel they are protected and get the best start in life and realise their potential	68.965
People access a range of education, training, and employment opportunities and feel they share the benefits from growth	3.440
People access joined-up services when they need them and feel healthier and independent	144.250
Inequality is reduced and people live in a cohesive community	12.827
People live in a borough that is clean and green	40.099
People live in good quality and affordable homes and neighbourhoods	5.305
People live in safer neighbourhoods and anti-social behaviour is tackled	6.213
A focussed and efficient Council co-producing excellent services	40.044
No Strong alignment	24.769
Net General Fund Budget	345.913

3.2.6 The Council's approach to delivering services going forward are underpinned by the following transformation principles;

- Achieve the best outcomes for our residents by integrating services across the council and partners to make the most of the money we have.
- Become a modern council with new ways of working and an agile workforce that is supported by the necessary infrastructure now and at our new home in Whitechapel
- Use technology and information to provide better services and empower our citizens so they take a more active role in their area, co-design services and become less reliant on the council
- Reduce future demand on the council through measures including better forecasting of need, supporting independent living and providing early intervention to prevent problems escalating in later life
- Harness economic growth that benefits our residents by making it simple for businesses to set up and invest in our borough

3.2.7 The Council's approach to strategic and financial planning has been informed by an understanding of the equality needs, opportunities and potential in the borough. This includes:

- Ongoing economic growth and a rising employment rate;

- A vibrant population with a high proportion of young people;
 - An active voluntary and community sector; and
 - A partnership committed to collaborative working around priority outcomes.
- 3.2.8 It also recognises that there are significant inequalities and longer term challenges as identified in the borough equality assessment which include:
- Lower employment levels, particularly for women and some ethnic minorities;
 - Significant child poverty and the impact of welfare benefit reductions;
 - Local people priced out by spiralling housing prices, and the danger of a polarised community;
 - Low levels of health and life expectancy; and
 - The need to be vigilant and tackle the potential for radicalisation and extremism.
- ### **3.3 MEDIUM TERM FINANCIAL STRATEGY & PROPOSED BUDGET**
- 3.3.1 The revised Medium Term Financial Strategy is set out at Appendix 1A, and the detail by service area at Appendix 1B. The detailed figures and assumptions incorporated in these tables are explained more fully in this report. The figures assume a council budget requirement of £343.703m for 2018-19; a Council Tax at Band D of £986.14 and a requirement of £5.763m from reserves over the MTFS period to 2020-21.
- Autumn Budget (Chancellors Statement) – November 2017**
- 3.3.2 The Chancellor's autumn statement in November included a number key announcement's that effect local government.
- 3.3.3 There were a number of changes to business rates which include:
- The indexation rate used to set the national non domestic rate multiplier will be based on the Consumer Price Index (CPI) rather than the Retail Price Index (RPI) from April 2018. With CPI being generally lower than RPI, the impact is a potential loss in revenue.
 - The £1k discount to business rates bills for pubs with a rateable value of less than £100k will be extended for another year.
- 3.3.4 Both of these changes will reduce the level of business rates income and the government has said that local authorities will be compensated through additional grant. Therefore the impact will be neutral for local authorities in 2018-19 and 2019-20. However, if this is not compensated for at the time of any business rate re-basing exercise the Council's business rate baseline will be lower; resulting in an on-going loss of resources. In the provisional local government finance settlement the government confirmed a reset of business rates will take place in 2020-21
- 3.3.5 The government also confirmed that a London-wide business rates retention pilot will go ahead for 2018-19. The Council in October agreed in principle to participate in that Pool and this report sets out the formal decisions necessary to put in place that arrangement.

- 3.3.6 The plans announced in the Autumn Statement allow Council's to charge 100% extra Council tax on properties that have been empty for 2 or more years. This is currently set at 50%.
- 3.3.7 This change has been introduced to incentivise the reuse of empty properties which could not only help with the housing crisis but also increase funding through the New Homes Bonus scheme by reducing the number of long term empty properties.
- 3.3.8 In the current year the Council has 73 long term empty properties subject to the current provisions generating approximately £40k of levy charge. If the levy were to be increased from 50% to 100% this would therefore generate an additional £40k providing the numbers remained consistent.
- 3.3.9 The Government also announced a number of changes to boost Housing Growth including plans to increase the numbers of new homes being built to 300,000 per annum by the middle of the 2020s through a range of initiatives:
 - The government will provide £1.1bn for a new Land Assembly Fund; a further £2.7bn to the competitively allocated Housing Infrastructure Fund (HIF) in England and a further £630m through the NPIF to accelerate the building of homes on small, stalled sites, by funding on-site infrastructure and land remediation.
 - Housing Revenue Account borrowing caps for councils in areas of high affordability pressure can be lifted so they can build more council homes. Local authorities will be invited to bid for increases in their caps from 2019-20, up to a total of £1bn by the end of 2021-22.
 - The Department for Communities and Local Government (DCLG) is to launch a consultation with detailed proposals on reforms to the CIL.

3.3.10 A number of changes to Welfare reform were also announced:

- A package of measures to support the continued roll out of Universal Credit (UC) including removal of the 7-day waiting period for UC claimants and new assistance to support people during the 6-weeks before the first payment.
- A Targeted Affordability Fund that will increase Local Housing Allowance (LHA) rates for certain properties in areas of high private rented sector rents.
- A national living wage of £7.83 from April 2018

3.4 FINANCIAL RESOURCES

Council Tax

- 3.4.1 At its meeting on 9th January 2018, the Mayor in Cabinet agreed the council's 2018-19 taxbase at 95,095 Band D equivalent properties and this has been used in the MTFS projections.
- 3.4.2 Council Tax income is a key source of funding for Council Services. The amount generated through Council Tax is principally determined by the Council Tax Base (the number of properties adjusted for exemptions and discounts) and the rate of charge per property.

- 3.4.3 The borough has seen year on year increase in the number of new homes over the last few years and this continues to be a key priority area for growth for both central government and the Council. Previous trends coupled with current projections for growth means that the Council Tax Base is expected to be higher in 2018-19 than previously forecast.
- 3.4.4 The Council can, subject to legislative constraints, increase its Council tax rate through two mechanisms; the Adult Social Care precept and through a general inflationary increase. Each 1% increase in the Council Tax rate generates around £919k per annum, which equates to approximately 19 pence per week. In the provisional settlement, the Chancellor announced that in line with inflation, the referendum limit has been increased from 2% in 2017-18 to 3% in 2018-19.
- 3.4.5 In 2016-17 and for the remainder of the Spending Review period, the government introduced an Adult Social Care (ASC) precept to allow local authorities to raise additional council tax to help in addressing the growing adult social care funding crisis. In 2017-18 the precept was limited to a maximum of 3% in any one year and to a maximum of 6% over the three year period 2017 – 2020.
- 3.4.6 In February 2017, the Council agreed, in respect of the ASC precept, to implement increases of 3%, 2%, and 1% respectively for the years 2017-18 to 2019-20; there were no general inflationary increases proposed for 2018-19.
- 3.4.7 Based on the current position there are no proposals to change the assumptions agreed in February 2017 and as a result Council Tax rates will only increase in 2018-19 by the 2% ASC Precept previously agreed, which equates to an increase of 37 pence per week.
- 3.4.8 Currently Tower Hamlets has one of the lowest Council Tax levels across the 33 London Boroughs It is likely that even after implementing the proposed increase for the ASC precept this year, the Council would continue to have one of the lowest Council Tax rates in London.

Local Council Tax Reduction Scheme

- 3.4.9 In April 2013 the Government replaced the national Council Tax Benefit scheme, which was supported through a grant, with a requirement for each Local Authority to develop its own Local Council Tax Reduction Scheme (LCTRS). At the same time, the Government reduced its funding contribution to Local Authorities nationally by 10% and put in place mandatory protections for some groups of recipients such as pensioners.
- 3.4.10 The Mayor in Cabinet considered and agreed a report on the 9th January 2018 which proposed no changes to the 2017-18 Local Council Tax Reduction Scheme (LCTRS).

Settlement Funding Assessment (SFA)

- 3.4.11 Settlement Funding Assessment (SFA) reflects the government's current approach to funding most local authorities through Revenue Support Grant (RSG) and retained business rates. However, the proposed London-wide Business Rates Retention pilot will alter the way that the Council receives its resources and in particular will lead to the replacement of RSG by retained business rates.

- 3.4.12 The approach for the London pilot scheme is considered further below although as one of the underpinning principles of the pilot scheme is that no authority will be worse off under the proposed pilot scheme than under the existing arrangements, the method for determining the amount of Revenue Support Grant is set out below for information.
- 3.4.13 Each authority's SFA is based on a needs assessment established at the beginning of the funding arrangements and thereafter reflecting the impact primarily of government funding reductions. The Baseline Funding Level represents the amount of retained business rates that the government expects each local authority to generate assuming no increase in the tax base since the scheme inception (i.e. it continues to increase only in line with the increase in the relevant business rate multiplier).
- 3.4.14 The difference between SFA and the Baseline Funding Level is the amount of RSG an authority receives. For Tower Hamlets this calculation is shown below.

Table 2 – Settlement Funding Assessment 2017 - 2020

£m	2017-18	2018-19	2019-20
Settlement Funding Assessment	158.105	151.071	142.935
Revenue Support Grant	53.958	43.795	33.281
Baseline Funding Level	104.147	107.276	109.655
<i>Change in SFA:</i>			
<i>Annual change</i>		-4.4%	-5.4%
<i>Cumulative change</i>		-4.4%	-9.6%

Revenue Support Grant (RSG)

- 3.4.15 As previously reported the Council was accepted for the government's guaranteed multi-year settlement for RSG. However, participating in the London Business Rates Pooling Pilot means that the Council will be retaining additional business rates equivalent to the value of RSG in 2018-19 rather than receiving grant payments from the Department for Communities and Local Government (DCLG).
- 3.4.16 At the time of the Provisional Settlement the government confirmed its intention to review the methodology for distribution resources on a needs-led basis; this will be achieved through their Fair Funding review for which consultation will commence from late 2018 in time for implementation in the 2020-21 settlement.

Retained Business Rates (London-wide Pilot pooling 2018-19)

- 3.4.17 The Government formally confirmed its commitment to establishing a 100% business rate retention pilot in London from April 2018 in the Autumn Budget. This was agreed by a memorandum of understanding (MOU) signed by the Chair of London Councils, the Mayor of London, the Minister for London and the Secretary of State for Communities and Local Government.

3.4.18 In October 2017, Cabinet agreed in principle that the Council would participate in pooling arrangements across London and the Mayor in Cabinet agreed on the 9th January to formally confirm its participation in the scheme.

3.4.19 It is estimated that the Council could receive an additional £8m through the pooling arrangements in 2018-19 and plans to use this for specific strategic priorities have been incorporated into the MTFS as detailed in section 3.5.9 and Appendix 3B.

3.4.20 The key principles of the pooling arrangement are summarised below;

- From the 1st April 2018 London Authorities will retain 100% of the Business Rates Income. London will not retain 100% of total rates collected, as it will continue to pay an aggregate tariff to government. The overall level of collected rates that will be retained is around 64% after the tariff is paid.
- London authorities will also receive section 31 grants in respect of Government changes to the business rates system which reduce the level of business rates income. Section 31 grant will amount to 100% of the value of the lost income. Tariffs and top-ups will be adjusted to ensure cost neutrality.
- The London pool will retain 100% of any growth in business rate income above baselines, and will pay no levy on that growth; it is from receiving a share of this growth (last estimated at £240m) that the Council estimates to receive an additional amount of around £8m.
- Revenue Support Grant (RSG) will no longer be paid to the London authorities in 2018-19. Funding baselines will be increased by the equivalent amount to reflect this transfer of RSG; which will be £43.8m for Tower Hamlets as set out in the above section on the SFA.
- London authorities will not be subject to more onerous rules or constraints under the 100% rates retention pilot, than they would have been if they had remained subject to the existing “67% scheme” in place in 2017-18.
- No “new burdens” will be transferred to London and participation in the pilot will not affect the development or implementation of the Fair Funding Review.
- In the event that London’s business rates income fell, the pool will have a higher “safety net” threshold – 97% rather than 92.5% of the overall baseline funding level – than in the existing system, reflecting the greater reliance local authorities will have on business rates within the pilot.
- The Government will undertake a qualitative evaluation of the progress of the pilot based on the current research programme for the existing business rate retention pilots, with additional focus on the governance mechanism and decision making process, and the scale of resources dedicated to strategic investment.
- The MOU between London Government and the Government only commits to the pilot operating for one year. However, subject to the evaluation of the pilot, it also commits the Government to working with London authorities to explore: future options for grants including, but not limited to, Public Health Grant and the Improved Better Care Fund;

the potential for transferring properties on the central list in London to the local list where appropriate; and legislative changes needed to develop a Joint Committee model for future governance of a London pool.

Core Grants

- 3.4.21 In addition to Revenue Support Grant (RSG), the Council receives a number of other grants to support specific service priorities. These are summarised in the table below and further details on how they have been treated in the MTFS are provided in the sections that follow.

Table 3 – Summary Core Grants 2018-21

Core Grants	2018-19 £m	2019-20 £m	2020-21 £m
New Home Bonus	20.749	19.914	16.521
Improved Better Care Fund	11.907	14.851	12.777
Public Health Grant	35.049	34.319	34.319
Strategic School Improvement	0.200	0.200	0.200
Local Lead Flood Grant	0.034	0.036	0.000
Total	67.939	69.320	63.817

New Homes Bonus

- 3.4.22 The New Homes Bonus (NHB) scheme was introduced in 2011-12 as a means to help tackle the national housing shortage. The scheme was designed to reward those authorities who increased their housing stock either through new build or by bringing empty properties back into use.
- 3.4.23 Tower Hamlets is a high growth area, and has attracted the highest level of NHB in the country. In the most recent provisional settlement the Government confirmed that the NHB payments to councils will be reduced from five years to four years in 2018-19.
- 3.4.24 The Council had already started to reduce its reliance on NHB as a funding source in support of its revenue budget from 2016-17 instead choosing to provide for increasing capital investment on affordable housing and infrastructure in line with its strategic priority of better quality homes for all. It has only assumed using £3.9m in 2018-19 – below the level of the revised 2018-19 NHB provisional settlement.

The Improved Better Care Fund

- 3.4.25 The Better Care fund (BCF) was announced as part of the 2013-14 spending review. The Fund is a pooled budget, bringing together local council and NHS funding to create a national pot designed to integrate care and health services.
- 3.4.26 In addition to this, an Improved Better Care Fund (IBCF) was announced in the 2016-17 budget to support local authorities deal with the growing health and social care pressures during the period 2017-20. This funding takes into

account local authorities' ability to raise resources locally through the Adult Social Care precept.

Public Health Grant

- 3.4.27 The Public Health Grant allocation for Tower Hamlets in 2018-19 has now been confirmed as £35.049m which represents a decrease of 0.925m from the 2017-18 grant allocation; this reduction has also been accommodated within the relevant budget provision
- 3.4.28 The government has previously indicated its intention to move the funding for the Public Health Grant from the current system to being funded from within the proposed 100% retained business rates scheme; although it was initially considered that this grant would form part of the London-wide business rate pilot scheme it has not been included in the final prospectus.
- 3.4.29 The provision for free school meals to all primary aged children over and above the current government policy of funding for Key Stage 1 pupils will continue to be partly supported from the public health grant. The total cost to the Council is estimated to be approximately £3.300m per annum and £1.000m has been included in the MTFS to be funded from the Public Health grant with the balance to be funded from a specific general fund reserve in line with the Council's strategic priorities around getting it right for our young people.

Strategic School Improvement Fund

- 3.4.30 In November 2016, the government announced a £50 million fund for local authorities to "continue to monitor and commission school improvement for low-performing maintained schools". This will be allocated to local authorities on the basis of the number of maintained schools, an area cost adjustment and top-up to ensure each local authority receives a minimum. The Council has successfully secured £0.200m for 2017-18 and assumes the same level of funding in the MTFS for 2018-19 onwards.
- 3.4.31 However, this replaces the former Education Services Grant which previously secured the authority £3.8m in 2016-17 and £2.7m in 2017-18. This change represents a further reduction in government grant funding.

3.5 BUDGET PRESSURES, GROWTH AND INFLATION

Budget pressures

- 3.5.1 A key part of the annual budget setting process is the review of budget demands across the medium term financial planning period arising from demographic changes, new requirements or responsibilities or inflationary pressures.
- 3.5.2 In February 2017, Council approved unavoidable growth of £6.944m over the period 2018 - 2020, £2.444m for 2018-19 and an additional £4.500m for 2019-20. Following a review as part of updating the MTFS for the period 2018 - 2021, additional growth arising from demographic changes, new requirements or responsibilities has been identified. These items are set out in Appendix 3A.

Inflation

- 3.5.3 In addition to the budget pressures identified above a further financial risk facing the Council is the impact of inflation.
- 3.5.4 The Government's target projection for inflation which is reflected in the MTFS is 2.9% (CPI) throughout the review period. Most of the Council's contracts for goods and services which span more than one year contain inflation clauses and although service directorates have been successful in negotiating annual increases which are below inflation this will be a difficult position to maintain.
- 3.5.5 The Council remains part of the National Joint Council for Local Government Services for negotiating pay award arrangements. The MTFS anticipates that staffing costs will increase by 2% in each year of the three year plan. Provision has also been made for the payment of the London Living Wage to Council staff.
- 3.5.6 The estimated impact of inflation is also set out in Appendix 3A.

Mayoral Priorities

- 3.5.7 The Mayor has also identified a number of key priority areas, consistent with the Council's Strategic Plan objectives, where it is proposed to target resources in order to improve specific outcomes for residents and businesses.
- 3.5.8 This includes a range of initiatives to maximise residents' access to jobs and training, supporting people in overcoming barriers to employment, including specific measures for enabling parents to move into childcare roles. The proposals also allow for the continuation of measures, adopted in 2017-18, to extend the provision of free school meals to all primary age pupils and initiatives designed to assist with the impact of welfare reform through the tackling poverty fund.
- 3.5.9 These investment proposals are detailed in Appendix 3B and will be funded principally from the additionally retained business rates income that the authority expects to receive through participating in the London-wide business rates pilot.
- 3.5.10 In addition to this, on the 19th September 2017 Cabinet agreed to invest £1m per year for three years on additional policing across the borough. This has been incorporated into the Council's MTFS and will also be funded through reserves. Further details on the scheme can be found within the 19th September cabinet report.

3.6 SAVINGS PROPOSALS

- 3.6.1 The Council continues to implement an Outcomes Based Budgeting approach to delivering its MTFS for the period 2018 to 2021. This supports the council's approach to reducing inequality by focussing on the differences in outcomes for different equality groups. In 2017-18 the Council approved appropriate savings covering the whole of the period of the MTFS which ensured that a balanced budget for 2018-19 and 2019-20 was already in place. Detailed consultation and equality impact assessments will continue to be undertaken as the proposals agreed previously are taken through to implementation.

- 3.6.2 Whilst there have been a number of changes necessary to the 2018-19 budget, largely as a result of needing to revisit assumptions around demographic growth and inflation, the Council will be able to meet the estimated gap through the additional Treasury Management savings and additional parks income identified.
- 3.6.3 For 2020-21 a number of high level saving areas have also been identified that will be developed over the next 9 – 12 months; the detail of which will be brought back for approval by the Cabinet and Council in due course. The high level summary of the proposed saving areas are detailed in Appendix 4. The proposals have been subject to an equalities analysis screening exercise to review the impacts identified to date and to determine the next steps for further equality analysis that will be undertaken as part of the decision making process governing these proposals.

3.7 RISKS AND OPPORTUNITIES

- 3.7.1 When setting the draft MTFS, Service Directors have provided their best estimate of their service costs and income based on the information currently available. However there will always be factors outside of the Council's direct control which have the potential to vary the key planning assumptions that underpin those estimates.
- 3.7.2 There are a number of significant risks that could affect either the level of service demand (and therefore service delivery costs) or its main sources of funding. In addition there are general economic factors, such as the level of inflation and interest rates that can impact on the net cost of services.
- 3.7.3 Similarly there are opportunities either to reduce costs or increase income which will not, as yet, have been fully factored into the planning assumptions.

The main risks and opportunities are summarised below.

Risks

Regulatory Risk

- Business Rates – Impact of abolition of the 'staircase tax'

General Economic Factors

- Impact of decision to leave European Union
- Economic growth slows down or disappears
- A general reduction in debt recovery levels
- Further reductions in Third Party Funding
- Further reductions in grant income
- Reductions in the level of income generated through fees and charges
- Increase in fraud

Increases in Service Demand

- Children's Social Care including an increase in the number of looked after children, unaccompanied asylum seekers or those with no recourse to public funds
- Housing (and homelessness in particular)
- General demographic trends (including impact of an ageing population)
- Impact of changes to Welfare Benefits

Efficiencies and Savings Programme

- Slippage in the expected delivery of the savings programme
- Non-delivery of some savings proposals

Opportunities

- Growth in local taxbase for both housing and businesses
- Service transformation and redesign including digital services
- Invest to save approach to reduce revenue costs
- Income generation opportunities including commercial approaches.

- 3.7.4 In addition to the above there is a risk that the combined impact of some of these factors will adversely impact on service standards and performance.
- 3.7.5 An assessment of the possible impact of these risks and opportunities is shown in the risk analysis in Appendix 6. This will form the basis of an on-going review of Reserves and Contingencies. This illustrates that there are a range of risk outcomes at medium and high level ranging from £22m to £42m. The Chief Financial Officer has concluded that, based on the level of contingencies, earmarked and general reserves, that there is sufficient cover to accommodate this level of risk.

3.8 RESERVES

- 3.8.1 Reserves are an important part of the Council's financial strategy and are held to create long-term budgetary stability. They enable the Council to manage change without undue impact on the Council Tax and are a key element of its financial standing and resilience.
- 3.8.2 The Council's key sources of funding face an uncertain future and the Council therefore holds earmarked reserves and a working balance in order to mitigate future financial risks.
- 3.8.3 There are two main types of reserves:
- Earmarked Reserves – which are held for identified purposes and are used to maintain a resource in order to provide for expenditure in a future year(s); and
 - General Reserves – these are held for 'unforeseen' events
- 3.8.4 The Council maintains reserves both for its General Fund activities and in respect of its Housing Revenue Account (HRA). In addition it accounts for the reserves of schools.
- 3.8.5 The amount of reserves held is a matter of judgment which takes into account the reasons why reserves are maintained, and the Council's potential financial exposure to risks. A Reserves Policy is included as Appendix 5.
- 3.8.6 The Council holds reserves in order to mitigate future risks, such as increased demand and costs; to help absorb the costs of future liabilities; and to enable the Council to resource policy developments and initiatives without a disruptive impact on Council Tax. Capital reserves play a similar role in funding the Council's capital investment strategy.
- 3.8.7 The Council also relies on interest earned through holding reserves to support

its general spending plans.

- 3.8.8 Reserves are one-off money. The Council aims to avoid using reserves to meet on-going financial commitments other than as part of a sustainable budget plan. The Council has to balance the opportunity cost of holding reserves in terms of Council Tax against the importance of interest earning and long term future planning.
- 3.8.9 Reserves are therefore held for the following purposes, some of which may overlap:
- Providing a working balance i.e. Housing Revenue Account and General Fund.
 - Smoothing the impact of uneven expenditure profiles between years e.g. local elections, structural building maintenance and carrying forward expenditure between years.
 - Holding funds for future spending plans e.g. Capital Expenditure plans, and for the renewal of operational assets e.g. Information Technology renewal.
 - Meeting future costs and liabilities where an accounting ‘provision’ cannot be justified.
 - Meeting future costs and liabilities so as to cushion the effect on services e.g. the Insurance Reserve for self-funded liabilities arising from insurance claims.
 - To provide resilience against future risks.
 - To create policy capacity in a context of forecast declining future external resources.
- 3.8.10 All earmarked reserves are held for a specific purpose. A summary on the movement on each reserve is published annually, to accompany the annual Statement of Accounts.
- 3.8.11 The use of some reserves is limited by regulation e.g. reserves established through the Housing Revenue Account can only be applied within that account and the Car Parking reserve can only be used to fund specific transport related expenditure. Schools reserves are also ring-fenced for their use.

3.9 SCHOOLS’ FUNDING

- 3.9.1 The largest single grant received by the Council is the Dedicated Schools Grant (DSG), which is ring-fenced to fund school budgets and services that directly support the education of pupils.
- 3.9.2 There are a number of pressures, specifically in relation to the High Needs Block which is managed by the Council for those pupils with needs that cannot be fully met from schools’ individual budgets. The Government has extended the scope of the High Needs funding to cover educational costs of children and young people up to the age of 25. This expansion of the age range, coupled by an increase in the number of children who are applying for Education, Health and Care plans is placing significant pressure on both the retained budget and schools’ own budgets.
- 3.9.3 In January 2017 the Department for Education (DfE) issued a consultation

document outlining proposals for a new national funding formula (NFF) for schools to be implemented in 2018-19. Following that consultation the government issued a policy document on a national funding formula for schools and high needs on 14 September 2017. The government also issued operational guidance for schools revenue funding in 2018-19.

- 3.9.4 Local Authorities are required use the operational guidance in the setting of local formulae for 2018-19. The proposals include a 2 year period in which a “soft” formula will be operated. Under the soft formula local authorities will receive funding on the basis of the NFF but will continue to use their own locally agreed formula.
- 3.9.5 It is intended that from April 2020 a “hard” formula will be implemented under which schools will receive their funding directly from the Education and Skills Funding Agency (ESFA) according to a single national formula.
- 3.9.6 From April 2018, the Dedicated Schools Grant will be allocated in four blocks (schools, high needs, early years and central schools services). Each will be calculated on the basis of a different formula. Within the Schools and High Need Blocks, the Government will provide for at least a 0.5% per pupil increase in 2018-19 and 2019-20 through the national funding formula. Schools can also, through the Schools Forum, agree to de-delegate some of their Schools Block resources for certain specific services such as to fund release time for trade union duties and allow the Local Authority to fund them centrally on behalf of all schools.
- 3.9.7 A new Central Schools Services Block (CSSB) is being introduced in 2018-19 to fund LAs for their statutory duties relating to maintained schools and academies. The CSSB brings together funding previously allocated through the retained duties element of the Education Services Grant; funding for ongoing central functions e.g. admissions; and funding for historic commitments e.g. items previously agreed locally such as combined budgets.
- 3.9.8 The table below sets out the estimated DSG deployment over the funding blocks for 2018-19;

Schools Forum Summary		2018-19 £000
1.0 Schools Block		271,305
1.1 De-delegated items (Schools Block)		864
1.2 High Needs Block		44,386
1.3 Early Years Block		28,280
1.4 Central Schools Service Block		4,851
Total Schools Budget	Expenditure 2017-18	349,686
Schools Forum Summary		2018-19 £000
1.7.1 DSG		-285,502
1.7.2 DSG B/F		
1.7.3 EFA Grants Post 16		-12,896
1.7.5 Academy Recoupment		-51,288
Total funding	Income 2017-18	-349,686

- 3.9.9 In addition the Council receives, and passports fully to schools, funding for the pupil premium (£23.3m) and 6th form funding (£12.9m). Final allocations for the pupil premium are confirmed in July 2018 and 6th form funding in March 2018.
- 3.9.10 Schools Forum will be asked to agree the total schools budget of £349.7m for 2018-19 at their January 2018 meeting, £336.8m of which will be funded through the Dedicated Schools Grant from the DfE with the remainder being funded through EFA grants.

3.10 HOUSING REVENUE ACCOUNT (HRA)

- 3.10.1 The HRA relates to the activities of the Council as landlord of its dwelling stock, and the items to be credited to the HRA are prescribed by statute. Income is primarily derived from tenants' rents and service charges, and expenditure includes repairs and maintenance and the provision of services to manage the Council's housing stock.
- 3.10.2 Since 1990 the HRA has been "ring-fenced"; this was introduced as part IV of the Local Government & Housing Act 1989 and was designed to ensure that rents paid by local authority tenants reflect the associated cost of services. This means that the HRA cannot subsidise nor be subsidised by Council Tax i.e. any deficits or surpluses that arise cannot be met from or transferred to the General Fund. In addition, the HRA must remain in balance.
- 3.10.3 In April 2012, HRA Self-Financing was introduced to replace the national HRA subsidy system. Under Self-Financing, local authorities retain all income but are responsible for all expenditure relating to their housing stock; with local authorities able to make decisions about their stock and engage in long-term planning. Recent policies introduced or announced by the government have substantially reduced the discretion that local authorities are able to exercise, for example in relation to rent setting, tenancy types and asset management.

DRAFT BUDGET 2018-19

Rent Reduction

- 3.10.4 On 9th January 2018, the Mayor in Cabinet noted that the 1% annual rent reduction introduced by the government which came into effect in 2016-17 continues for four years until 2019-20. This equates to approximately £0.650m in reduced rental income. The effect of this reduction has been incorporated into the 2018-19 budgets in Appendix 8A.

Tenant Service Charges

- 3.10.5 On 9th January 2018, the Mayor in Cabinet agreed an increase in tenant service charges of 4% per week from April 2018. This equates to an average of £0.31 per week. This is reflected in the 2018-19 budget in Appendix 8A.

Repairs and Maintenance

- 3.10.6 The Repairs and Maintenance budget for 2018-19 has been increased by £0.301m, to reflect contractual uplifts. A contingency of £0.5m has been incorporated into the budget. This will only be made available once a satisfactory business case for its use has been considered and agreed by the

Council.

Savings

- 3.10.7 At its meeting on July 26th 2016, the Mayor in Cabinet agreed a HRA medium-term savings target of £6m. In 2018-19 savings of £746,000 have been made within the Tower Hamlets Homes (THH) management fee (see Table 4 below), and a £426,000 reduction across the delegated budgets. However, as well as these savings there are also elements of growth requested within the 2018-19 management fee – these are outlined in the following section.

Management Fee

- 3.10.8 In February 2017, The Mayor in Cabinet approved the 2017-18 Management Fee payable to THH for services provided to the Council. At £31.946m, the Management Fee represents the largest single expenditure element of the HRA budget. In July 2017, an additional £0.350m was approved to finance ongoing fire safety works, in addition to a 'one-off' allocation of £0.075m. The total revised 2017-18 Management Fee is therefore £32.371m.
- 3.10.9 The table below shows the calculation of the proposed 2018-19 Management Fee payable to THH. For 2018-19 and future years the treatment of capitalised fees and salaries has been amended so that they will be charged directly to the capital programme rather than included within the THH Management Fee. The effects of this are incorporated in the table below, and in the proposed Management Fee of £30.979m

Table 4 – Calculation of 2018-19 Management Fee

Description	Total £m
2017-18 Base Management Fee	31.946
Mayoral Decision July 2017 – Additional Fire Safety Works	0.350
2017-18 Revised Base Management Fee	32.296
Mayoral Decision July 2017 – Fire Safety Funding ('One-Off')	0.075
Management Fee 2017-18	32.371
2018-19 Base Management Fee	32.296
Base Budget Growth - Fire and Other Safety	0.599
Base Budget Growth - Other	0.944
Base Budget Savings	-0.746
Removal of Capital Fees	-2.668
Revised Base Management Fee 2018-19	30.425
'One-Off' Growth - Fire and Other Safety	0.050
'One-Off' Growth - Other	0.504
Management Fee 2018-19	30.979

3.10.10 At this stage, the proposed management fee does not include an inflationary increase in relation to a pay award. Salary costs represent approximately £20.0m of the management fee, resulting in an increase in employee costs of approximately £400,000 if a pay award of 2% is agreed. These costs are built into the HRA MTFP but will only be released to THH once the pay award is formally agreed.

Savings

3.10.11 Tower Hamlets Homes has achieved savings of £746,000 from its base budget, mainly resulting from its relocation from Jack Dash House which takes effect in April 2018.

Base Budget Growth

3.10.12 The proposed 2018-19 base budget incorporates £599,000 of growth in respect of fire and other safety measures, particularly relating to the expansion of THH's safety compliance teams.

3.10.13 Other growth of £744,000 is proposed to the base budget. This includes the effect of increases in the cost of services provided to THH by the Council under Service Level Agreements (SLAs) - £191,000 of the increase relates to base budget increases in the SLAs for Procurement and ICT; the continuation of a previously trialled graduate trainee programme to facilitate succession planning (£152,000); and strengthening the leasehold enforcement service to ensure that lease terms are complied with (£185,000). In addition to the SLA increase, on-going THH procurement costs are estimated at an additional £350,000 with additional 'one-off costs' included separately.

3.10.14 Growth of £66,000 has also been included to finance the appointment of a commercial manager to contract manage the repairs contracts. This is a 'spend to save' activity which it is anticipated will lead to savings on the repairs and maintenance budgets. The R&M budget therefore incorporates a reduction of £132,000.

One-off Growth Items

3.10.15 The 2018-19 management fee incorporates other one-off growth of £504,000. This reflects THH procurement costs of £213,000 and increased council procurement support costs of £91,000 (via the SLA) that are necessary until the new repairs framework contracts are in place, including additional procurement support in relation to the management of fire safety contracts. In addition growth of £200,000 is required to ensure compliance with the new General Data Protection Regulations that come into force in May 2018, and to support the introduction of new HR management systems and processes.

MEDIUM TERM FINANCIAL PLAN

3.10.16 Appendix 8A shows the HRA Medium Term Financial Plan (MTFP) for the period 2018-19 to 2022-23.

Overall position on the HRA

3.10.17 The MTFP incorporates various income and expenditure assumptions and includes changes that will affect the budget, for example changes to stock numbers due to assumed Right to Buy sales and new supply resulting from agreed regeneration schemes.

3.10.18 The latest HRA MTFP is shown at Appendix 8A. The revised MTFP shows that, on current projections, the HRA reserve will reduce over the next few years, but will remain above the assumed minimum balance of £15m.

3.10.19 The level of bad debt provision is £600,000 in 2018-19 as the implementation dates for Universal Credit and direct payments have slipped, but the provision is forecast to rise to £700,000 in 2019-20. As the various reforms take effect, this assumption will be reviewed.

Capital Programme and Stock Needs

3.10.20 The current stock condition survey provides an updated view of the needs of the Council's stock over the next 30 years.

3.10.21 On current projections the capital programme outlined is fully funded, although it is essential that before future capital estimates are formally adopted, schemes are assessed in light of their affordability within the HRA.

HRA Savings

3.10.22 The 2018-19 budget reflects gross savings of £1.172m, of which £746,000 is within the management fee (see table above), and £426,000 of which is reflected in the delegated budgets. The MTFP at Appendix 8A reflects an additional £360,000 of savings over the rest of the MTFP period

RISKS

Sale of Higher Value vacant stock

3.10.23 Under this policy local authorities will be required to make a payment to the government based on the market value of the authority's higher value housing stock that is likely to become vacant during that year. This money is to be used to extend the Right to Buy to housing association tenants.

3.10.24 As a result of the government's announcement that no levy will be payable on high value voids until April 2019 at the earliest, the HRA medium-term financial projections have been updated to move the introduction of a levy of £8.4m to 2019-20, continuing for a period of five years. The medium-term financial projections still assume that no asset sales will take place in response to the levy other than the current maximum of five disposals per year. It must be stressed that the sum of £8.4m is an estimate as the government has not provided any indication as to the size of the levy that will be payable. These assumptions will need to be re-visited once details are published by the government.

Welfare Reform

3.10.25 The main changes that will affect Council tenants are:

- 1) Benefit Cap
- 2) Universal Credit and Direct Payments

3.10.26 The cumulative impact on the HRA will not be clear until the various reforms all take effect. Provision was made in the 2016-17 budget for an anticipated increase in the amount of bad debts, but due to the delay in implementing the changes this has not been necessary over the past few years. The budget continues to include a provision for bad debts of £600,000 in 2018-19, rising to £700,000 in 2019-20. This level of provision will be kept under review.

HOUSING REVENUE ACCOUNT CAPITAL ESTIMATES TO BE ADOPTED

- 3.10.27 The Council's projected capital programme is included within this report and incorporates indicative funding for the Housing Revenue Account element of the capital programme over the five year period from 2018-19 to 2022-23. Separately, Appendix 8B provides details of the THH Housing Capital Programme.
- 3.10.28 Tower Hamlets Homes has prepared its five year indicative capital programme, showing the forecast required expenditure on the Council's existing stock (attached at Appendix 8B). The level of spend required over the next five years is anticipated to be in excess of £170m, however for the purposes of cashflow management a 30% over-programming factor has been assumed within the capital section of this report.
- 3.10.29 Appendix 8B shows an outline of the proposed THH capital programme over the next five years. The total THH projected capital programme in 2018-19 is £36.446m, and includes investment of £7.265m in fire safety works. Over the course of the five year capital programme, budgetary provision for fire safety works totals £26.8m.

Aids and Adaptations and Capitalisation of Voids - total £1.950m

- 3.10.30 The programme also includes capital estimates for Aids and Adaptations (£500,000) and the capitalisation of the major costs involved in bringing void properties back into use (£1.450m). Works to void properties will include undertaking residual internal works e.g. replacing kitchens and bathrooms to properties where access was not gained during the Decent Homes programme.

Capitalisation of Fees and Salaries - £3.636m

- 3.10.31 The programme includes project management fees associated with the delivery of the capital programme. Previously an element of these fees was included within the THH management fee, however in future these costs will be charged directly to the relevant capital project.

Contingency - £500,000

- 3.10.32 The annual capital programme includes a £500,000 contingency budget, the use of which will be subject to the approval of the Corporate Director, Place.

- 3.10.33 Schemes within the HRA capital programme which involve works to existing properties will have an impact on leaseholders who are required to contribute towards capital works to external or communal areas.

Removal of Capital estimate for Right To Buy Buybacks

- 3.10.34 The Council adopted a capital estimate of £27.3m on October 6th 2015 to finance the purchase of up to a maximum of 85 former social housing leasehold and/or freehold units of stock within the borough. The scheme was funded from retained capital receipts of £8.18m with the balance of £19.1m to be financed from HRA capital resources.

- 3.10.35 Although 49 properties have been repurchased, only two have been used for HRA purposes, with the rest being held within the General Fund for use as temporary accommodation. This report proposes in principle that the

remaining uncommitted budget of £26.2m currently within the HRA capital programme be ended, with acquisitions of property to be used for Temporary Accommodation continuing within the General Fund. This would enable HRA resources of £18.34m (representing the 70% Council contribution required to support the use of retained receipts towards funding of the scheme) to be used to finance other HRA initiatives; either capital works to the Council's existing dwelling stock or the development of new supply.

HOUSING GENERAL FUND CAPITAL ESTIMATES TO BE ADOPTED

Local Affordable Housing Grant Programme

- 3.10.36 The Mayor in Cabinet has previously agreed that funding of £7.06m be allocated for the creation of a Local Affordable Housing Grant Programme, targeted at Registered Providers (RPs.). This is fully funded from retained one for one right to buy receipts and represents a 30% contribution towards RP schemes and therefore contributes towards a total of £23.550m of replacement social housing.
- 3.10.37 This report seeks approval to extend this scheme by a further £5m again fully funded from retained one for one receipts. The extension of the scheme will also require the approval of the Grants Determination Sub-Committee.
- 3.10.38 Even if the Council plans to pass one for one receipts to a third party the responsibility to spend the required amount on replacement social housing remains with the Council. In the event that RPs within the borough fail to spend sufficient sums, or do not spend by the required deadlines, the Authority will be liable for any interest arising from a failure to spend in line with the Right to Buy agreement.

3.11 CAPITAL

- 3.11.1 In February 2017 the council approved a capital strategy setting out the intention to ensure that capital expenditure was clearly focussed on its strategic objectives. It described adopting a longer term planning horizon and developing financing strategies and governance arrangements that would underpin this new approach.
- 3.11.2 Further work has taken place with Members during 2017-18 to identify those projects and areas for investment that reflect their ambition and priorities for capital investment and to establish a programme that is both realistic and affordable.
- 3.11.3 The broad approach to revised governance arrangements, which are designed to ensure the development and delivery of approved schemes and the financial implications of proposed investments, are set out below for approval. Detailed arrangements to support this process will be developed during 2018 and will include a streamlined gateway approval process for projects.
- 3.11.4 The previous capital programme, approved alongside the council's capital strategy spanned the period 2016 to 2022 and set out the estimated costs of existing approved schemes amounting to £411m. Further indicative schemes of £241m were also identified. In total this programme of £652m was fully financed from a range of sources including £126m of Prudential Borrowing.

- 3.11.5 The programme now proposed covers an extended planning period to 2028, amounts to some £574m and identifies the Council's investment in priority areas as a means of supporting the council's Community Plan together with its Transformation Programme (Smarter Together) which underpinned the approach to its three year Medium Term Financial Strategy for revenue expenditure. This represents the intended programme and adoption of it and the associated capital estimates allows the Council to proceed within this overall envelope. Performance will be closely monitored in the quarterly budget monitoring process and the arrangements being developed will enable schemes within the overall programme to be re-profiled where delivery can be accelerated.
- 3.11.6 For those schemes approved in previous years', revised budget provision covering the years 2017 to 2028 is set out in detail in Appendices 9A and 9B. The extent to which all capital schemes align with the Council's Strategic Priorities can also be seen in Appendix 9C.
- 3.11.7 Particular emphasis has been given to proposing realistic provisions in the earlier years recognising that capital cashflow is a significant contributor to optimising Treasury Management returns; this approach is closely aligned to the 2018-19 revenue budget proposal to achieve an additional £1.4m through a longer term investment approach. However, the financing strategy will also remain flexible enough to accommodate project acceleration if required.
- 3.11.8 Budget provision in 2017-18 that remains unspent will, subject to a detailed review and approval by the Mayor in Cabinet through the budget monitoring process, be carried forward and added to the 2018-19 programme. Current indications from the capital budget monitoring process is that this could add up to a further £30m to the 2018-19 programme.
- 3.11.9 A number of new schemes have also been identified based on the Council's priorities; these amount to almost £400m over the 10 year period to 2028 and are summarised against priorities in Appendix 9D; subject to their approval at Full Council in February they will be developed through the proposed governance arrangements.
- 3.11.10 To support the development of new schemes broad provisions have been included in the 2018-19 programme for feasibility study and business case development (£1.5m). Also, in order to allow for some of those schemes to progress to implementation and to allow scope for other works to be undertaken an unallocated provision of £15m (16%) has been included in the 2018-19 budget. The method for accessing these funds will form part of the new governance arrangements described below and will include all schemes including those that come from the Council's Infrastructure Development Plan evidence base.

Programme Governance

- 3.11.11 Projects including those of a capital nature are one of the key ways that the council delivers its strategic aims and priorities. The council is committed to ensuring that projects are delivered efficiently and that the best use is made of the resources available to the organisation.
- 3.11.12 Currently strategic programme governance is managed via the asset management and Capital Working Group and Board, with a number of related

and other boards that address thematic areas such as early years groups, S106 and CIL, housing investment, ICT, Highways and Civic Centre Project.

3.11.13 A revised approach will be developed to consider and ensure that the key functions set out below are undertaken effectively across all elements of the capital programme, taking into account the strengths from existing approaches. The key functions for which this corporate approach is required are:

- Developing a Capital Strategy;
- Identifying and developing schemes that deliver value for money and are consistent with the strategy and Members' priorities;
- Prioritising capital schemes taking into account outcomes and resources;
- Financing the overall programme;
- Managing and delivering approved programmes and projects;
- Monitoring and reporting progress; and
- Post implementation review.

3.11.14 There are also clear linkages across these various functions relating to the overall management of the Council's asset base including in particular asset management, asset acquisition and disposal. The current corporate approach to the centralisation of relevant functions will assist with ensuring that a single and consistent approach is developed across these key areas.

3.11.15 At this stage it is important to ensure that the role of officers and members is clear and supported by the Council's constitution, financial regulations such that governance can be exercised effectively. Further work on those arrangements will be undertaken during 2018 as the corporate restructures are developed and implemented.

3.11.16 All projects that require capital expenditure must be identified in departmental service plans. Approval of the Capital Programme and associated capital estimates is the responsibility of the Full Council who will receive proposals through a new senior officer level Capital Board, the Mayor's Advisory Board (MAB) will have the power to review individual projects, and the Mayor in Cabinet, who will consider the overall programme of project activity and its funding.

3.11.17 Project proposals are made in conjunction with the relevant Lead Member. The Mayor in Cabinet will periodically (Quarterly) receive programme update reports on capital schemes as part of the council's budget monitoring report and can 'call in' any project at any stage of the approval process when it is considered appropriate to do so. The Overview and Scrutiny Committee's review of the quarterly budget management report will afford a similar opportunity to scrutinise progress and performance of individual projects.

3.11.18 The Capital Delivery Team will deliver, project manage and own the progress of relevant projects from start to finish. This includes the provision of programme and individual project reports, financial monitoring against budgets, procurement risks and documentation.

3.11.19 The Mayor in Cabinet on the advice of the Capital Board will propose the budget to be set aside for capital for the forthcoming financial year. That sum

will be included in the Council's annual budget agreed by Full Council budget setting meeting in February/ March each year.

3.11.20 New projects may enter the Gateway Approval Process at any time during the year, but should be already planned in a department's service plan.

3.12 TREASURY MANAGEMENT STRATEGY

- 3.12.1 The Treasury Management Strategy Statement will be revised and presented to Full Council in February 2018 in accordance with the CIPFA Treasury Management Code of Practice. The Statement will set out the proposed strategy with regard to borrowing, the investment of cash balances and the associated monitoring arrangements.
- 3.12.2 The proposed prudential indicators set out in the Treasury Management Strategy will be based on the capital programme above in Section 3.11 once finalised.

3.13 BUDGET CONSULTATION

- 3.13.1 The Council launched its 2018-19 budget consultation with residents, local businesses and other stakeholders on 12th December 2017 and this is due to conclude on the 22nd January 2018.
- 3.13.2 The consultation, which sought residents' and businesses' views about the priorities the council should focus on as it plans for future service delivery, was carried out through the publication of a range of questions on the Council's website. Participation and stakeholder engagement was then promoted through e-newsletters distributed to over 19,000 residents, adverts in the Our East End newspaper distributed to over 120,000 households, press releases and media briefings securing coverage through the East London Advertiser, Channel S, ATM Bangla.
- 3.13.3 A total of fifty responses to the consultation have been received as of 18th January 2018. Initial analysis of the consultation responses indicate:
- Most respondents agree with the approach of a three year budget as a way of protecting frontline services;
 - Almost half of respondents prefer that the council protects frontline services, rather than continue to invest resources in services that are council priorities, or reduce budgets across all services by the same proportion;
 - More than half of respondents support a 2% increase in council tax in 2018-19 to support adult social care services, and almost half of respondents support the proposal not to implement any additional inflationary increase in council tax above the adult social care precept of 2%.
- 3.13.4 The Council's proposed MTFS assumes most of the views of respondents to the consultation. A further update will be provided once consultation closes on the 22nd January.

4 COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 As this report is primarily financial in nature the comments of the Chief Financial Officer have been incorporated throughout this report.

5 LEGAL COMMENTS

- 5.1 The Local Government Finance Act 1992 requires the Council to calculate for each financial year the basic amount of its council tax. This calculation is in accordance with prescribed formulas and the Council is required to submit its council tax base to the GLA between 1st December and 31st January in the financial year preceding the financial year for which the calculation of council tax base is made. If the Council does not do so then the GLA is required to determine the calculation for itself.
- 5.2 Whilst the making of the calculation is for Council, the preparation of the estimates for consideration is a function of the Executive. This is as per Article 4 of the Constitution. The Budget and Policy Framework Procedure Rules specify the procedure to be followed in developing the budget.
- 5.3 Before calculating the budget requirement, the Council is required to consult with persons or bodies who the Council considers representative of persons who are required to pay non-domestic rates. Appended to this Report is a budget consultation summary for consideration. This consultation complies with the both the Council's statutory and common law duties regarding consultation.
- 5.4 As part of calculating the budget requirement, the Chief Finance Officer is required to report on the following matters: the robustness of the estimates made for the purposes of the calculations; and the adequacy of the proposed financial reserves. The Council must have regard to this Officer's report before calculating the budget requirement. This report contains that Officer's report.
- 5.5 The Council is obliged by section 151 of the Local Government Act 1972 to make proper arrangements for the management of its financial affairs. It is consistent with sound financial management and the Council's obligation under section 151 for the Council to adopt and monitor a Medium Term Financial Strategy as this informs the budget process and is viewed as a related function.
- 5.6 The Council has a duty under section 3 of the Local Government Act 1999 to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness" (the best value duty"). The preparation and consideration of a Medium Term Financial Strategy as part of the budget setting process assists to ensure compliance with this duty.
- 5.7 The report provides information about risks associated with the Medium Term Financial Strategy and the budget. This is consistent with the Council's obligation to make proper arrangements for the management of its financial affairs. It is also consistent with the Council's obligation to have a sound system of internal control which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk. The maintenance and consideration of information about risk, such as is

provided in the report, is part of the way in which the Council fulfils this duty.

- 5.8 The report provides details of the revised capital programme. The capital programme does not form part of the determination of the budget requirement, but is nevertheless a closely related matter and it is appropriate for information to be provided about it at this time. Before the capital programme is agreed, there will be a need to ensure that projects are capable of being carried out within the Council's statutory functions and that any required capital finance will meet statutory requirements.
- 5.9 The report provides information about a variety of grant funding, the application of which is governed by agreement or legislation. The report outlines in broad terms the different limitations on grant funding and the Council will have to ensure that it complies with the relevant agreement or legislative requirement, as the case may be, in respect of each grant. It will be for officers to ensure this is the case.
- 5.10 The Equality Act 2010 requires the council in the exercise of its functions to have due regard to the need to avoid discrimination and other unlawful conduct under the Act, the need to promote equality of opportunity and the need to foster good relations between people who share a protected characteristic and those who do not (the public sector equality duty). A proportionate level of equality analysis is required in order to enable the Council properly discharge this duty and in some cases, such as where savings are made which impact on service users, consultation will be required to inform the equality analysis.

6 ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 The Equality Act 2010 and the Public Sector Equality Duty that is part of it incorporates previous anti-discrimination laws into one act and places a duty to embed equality considerations into the day to day work of public bodies, so that they tackle discrimination and inequality and contribute to making society fairer. The PSED requires that public bodies have due regard to the need to eliminate unlawful discrimination, harassment and victimisation, advance equality of opportunity between people from different groups, and foster good relations between people from different groups. As a Council we undertake ongoing equality analyses in policy making, initiating service changes, making investments or undergoing a savings proposal as part of having due regard and in meeting our public sector equality duty. The equality analysis tools which includes checklists and detailed impact assessments enable us to identify the potential implications of our decision on services users and staff and to understand potential adverse impacts on one or more of the nine protected characteristics, as well as identify active mitigation where necessary. The council also undertakes periodic reviews of inequality through the borough equality assessment (BEA) which was last completed in early 2017.
- 6.2 From the BEA and other sources we know that the borough is the 10th most deprived local authority in England, although there are now fewer of the most highly deprived areas in England than before and at the same time is

characterised by some of the highest average earnings. This is evident in the gap in earnings between residents and workers which is the largest in London. There are also high levels of worklessness amongst BME women, BME groups generally and disabled groups. White British attainment remains low in comparison to all other. Healthy life expectancy is significantly lower than national averages for men and women. The borough has the highest rate of pensioner poverty with half of all residents aged 60 and over living below the poverty line, more than three times the rate nationally. 42% of children live in families below the poverty line and almost four in five children in the borough live in families reliant on tax credits. This is the highest rate in Great Britain and nearly double the proportion who are technically below the poverty line. Six in ten tax credit families are in work. We also know that around four in ten households in Tower Hamlets are living below the poverty line, after housing costs are taken into account. This is the highest poverty rate across all local authorities in England and Wales, and almost double the national average. Another indicator of the impact of Welfare Reform and the pressures on households is evident in the rise in the percentage of (working age) Housing Benefit claimants who are in employment which rose from 21% to 45% between 2009 and 2016.

- 6.3 With many public services responding to needs of children and young people, older people and minority groups savings to budgets and therefore changes to services targeting these groups are very likely to impact on protected characteristic groups across these cohorts.
- 6.4 As part of last year's budget setting process for 2017-18 to 2019-20 all savings proposals agreed were subject to equalities impact screening to determine the extent to which an equalities impact is expected. For those projects that were identified as having a potential equalities impact, detailed Equalities Assessments have been or will be carried out prior to implementation.
- 6.5 The current budget setting process for 2018-19 to 2020-21 has identified additional 19 savings proposals. Two of these proposals will be implemented in 2018-19 with the remaining 17 being implemented in 2020-21. Equalities impact screening has been carried out on all new proposals and the outcome of the screening is included in Appendix 4 of the report. Neither of the two proposals to be implemented in 2018-19 have an equalities impact. Of those proposals to be implemented in 2020-21, only three are expected to have an equalities impact and will need to be subject to full Equalities Impact Assessments and resident/user consultation prior to a decision to implement.
- 6.6 Proposals which are related to support functions and will have impacts on staffing and expected redundancies the profile of potential and actual redundancies will be kept under review to assess the impact on equality groups within the Council's staff.

7 BEST VALUE (BV) IMPLICATIONS

- 7.1 The preparation of the MTFS has taken account of the Council's obligations in relation to its Best Value duty. The budget proposals are based on securing best value within the context of continuing reductions in council funding and service demand pressures.

8 SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 The sustainable action for a greener environment implications of individual proposals in the budget are set out in the papers relating to those proposals.

9 RISK MANAGEMENT IMPLICATIONS

- 9.1 Managing financial risk is of critical importance to the Council and maintaining financial health is essential for sustaining and improving service performance. Setting a balanced and realistic budget is a key element in this process. Specific budget risks are set out in Section 3.7 of this report.

10 CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1 The crime and disorder implications of individual proposals in the budget are set out in the papers relating to those proposals.

11 SAFEGUARDING IMPLICATIONS

- 11.1 Any safeguarding implications of individual proposals in the budget are set out in the papers relating to those proposals.

Linked Reports, Appendices and Background Documents

Appendices

- Appendix 1A Summary of the Medium Term Financial Strategy
- Appendix 1B Detailed analysis of the Medium Term Financial Strategy by Service Area
- Appendix 2 Tower Hamlets Core Spending Power
- Appendix 3 New growth proposals 2018- 2021
- Appendix 4 New Savings proposals 2018- 2021
- Appendix 5 Reserves Policy
- Appendix 6 Risk Evaluation
- Appendix 7 Projected Movement in Reserves
- Appendix 8A Draft Housing Revenue Account Medium Term Financial Strategy 2018-2023
- Appendix 8B Indicative THH Housing Capital Programme 2018-2023

- Appendix 9A Current Capital programme 2017-2028
- Appendix 9B Increases to Existing Schemes & New Schemes 2018-2028
- Appendix 9C Summary of Proposed Capital Programme 2017-2028
- Appendix 9D Proposed New Schemes 2018-2028
- Appendix 10 Budget Consultation Feedback

Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012

- None

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**The Council's 2018-19 Budget Report and
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Appendix 1

SUMMARY AND DETAILED ANALYSIS OF THE MEDIUM TERM FINANCIAL PLAN

Summary Medium Term Financial Plan 2017-2021
Appendix 1A

	2017-18	2018-19	2019-20	2020-21
	£'000	£'000	£'000	£'000
Net Service Costs	361,985	345,913	343,703	331,911
Growth				
Approved	(16,344)	(1,416)	1,053	(7,458)
New	15,517	6,769	(6,172)	7,512
Savings				
Approved	-	(13,560)	(13,174)	
Prior Year - deleted		1,256		
New	(20,396)	(1,758)	-	(9,030)
Inflation	5,150	6,500	6,500	6,500
Total Funding Requirement	345,913	343,703	331,911	329,435
Government Funding (RSG)	(53,958)	(43,795)	(33,281)	(30,498)
Retained Business Rates	(131,307)	(135,194)	(139,555)	(139,555)
Council Tax	(85,837)	(93,777)	(98,029)	(103,756)
Collection Fund Surplus				
Council Tax	(1,000)	(1,500)	-	-
Retained Business Rates	-	-	-	-
Core Grants	(68,265)	(51,113)	(52,588)	(50,478)
Earmarked Reserves	(6,094)	(13,094)	(7,593)	(5,478)
Total Funding	(346,460)	(338,473)	(331,047)	(329,765)
Budget Gap (excl use of Reserves)	(548)	5,231	863	(331)
Unallocated Contingencies	-	-	-	-
Budgeted Reserve Contribution GF smoothing (Approved Feb 2017)	548	(5,459)	-	-
Budgeted Reserve Contribution	(0)	229	(863)	331
Unfunded Gap	-	-	-	-
	31/03/2018	31/03/2019	31/03/2020	31/03/2021
Balance on General Fund Reserves (£000s)	32,288	27,057	26,194	26,525

Service	Total 2017-18 £'000	Savings		Growth		Adjustments		Total 2018-19 £'000	Savings		Growth		Adjustments		Total 2019-20 £'000	Savings		Growth		Adjustments		Total 2020-21 £'000		
		Approved	Prior year deleted	New	Approved	New	Approved		Approved	New	Approved	New	Approved	New		Approved	New	Approved	New	Approved	New			
Health, Adult & Community	105,985	(1,985)	717	-	2,057	697	(2,821)	289	104,939	(2,242)	-	2,125	814	(2,122)	(0)	103,514	-	(1,000)	-	3,499	(2,074)	-	103,939	
Public Health	33,521	(749)	-	-	(925)	-	-	-	31,847	(411)	-	(730)	-	-	-	30,706	-	-	-	-	-	-	30,706	
Children Services	103,462	(2,313)	339	(300)	(135)	879	6	4,718	106,657	(3,011)	-	(414)	-	(370)	(4,487)	98,375	-	(650)	-	-	(2,120)	2,000	97,605	
Place	64,610	(2,285)	200	-	578	(141)	1,823	1,392	66,176	(1,781)	-	577	132	(225)	(219)	64,660	-	(580)	-	744	(1,598)	(98)	63,128	
Governance	12,751	(4)	-	-	-	-	-	100	12,847	(4)	-	-	-	-	-	12,843	-	-	-	-	-	-	12,843	
Resources	25,095	(2,075)	-	-	(252)	80	(7,213)	615	16,250	(525)	-	-	-	-	(200)	15,525	-	(1,900)	-	-	(1,666)	1,367	13,326	
Net Service Costs	345,424	(9,410)	1,256	(300)	1,323	1,515	(8,205)	7,114	338,716	(7,974)	-	1,558	946	(2,717)	(4,906)	325,624	-	(4,130)	-	4,243	(7,458)	3,269	321,548	
Other Net Costs																								
Capital Charges	6,997	-	-	(1,458)	-	-	-	-	5,539	-	-	-	-	-	-	5,539	-	-	-	-	-	-	5,539	
Levies	1,796	-	-	-	-	-	-	-	1,796	-	-	-	-	-	-	1,796	-	-	-	-	-	-	1,796	
Pensions	13,290	-	-	-	-	-	-	-	13,290	-	-	-	-	-	-	13,290	-	-	-	-	-	-	13,290	
Corporate Contingency	3,150	-	-	-	-	-	-	-	3,150	-	-	-	-	-	-	3,150	-	-	-	-	-	-	3,150	
Other Corporate Costs	(25,097)	(4,150)	-	-	196	(1,860)	5,270	-	(25,642)	(5,200)	-	2,212	(2,212)	-	-	(30,842)	(4,900)	-	-	-	-	-	-	(35,742)
Total Other Net costs	135	(4,150)	-	(1,458)	196	(1,860)	5,270	-	(1,867)	(5,200)	-	2,212	(2,212)	-	-	(7,067)	-	(4,900)	-	-	-	-	-	(11,967)
Inflation	354	-	-	-	4,231	2,269	-	-	6,854	-	-	4,440	2,060	-	-	13,354	-	-	-	6,500	-	-	19,854	
Total Financing Requirement	345,913	(13,560)	1,256	(1,758)	5,750	1,924	(2,935)	7,114	343,703	(13,174)	-	8,210	794	(2,717)	(4,906)	331,911	-	(9,030)	-	10,743	(7,458)	3,269	329,435	
Funding																								
Government Funding (RSG)	(53,958)	-	-	-	10,163	-	-	-	(43,795)	-	-	10,514	-	-	-	(33,281)	-	2,783	-	-	-	-	-	(30,498)
Retained Business Rates	(131,307)	(4,100)	-	-	214	-	-	-	(135,194)	(4,600)	-	238	-	-	-	(139,555)	-	-	-	-	-	-	(139,555)	
Council Tax	(85,837)	-	-	(7,940)	-	-	-	-	(93,777)	-	(4,253)	-	-	-	-	(98,029)	-	(5,726)	-	-	-	-	-	(103,756)
Collection Fund Surplus	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Council Tax	(1,000)	-	-	(1,500)	1,000	-	-	-	(1,500)	-	-	-	-	-	-	1,500	-	-	-	-	-	-	-	
Retained Business Rates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Core Grants																								
Public Health Grant	(35,974)	-	-	925	-	-	-	-	(35,049)	-	-	730	-	-	-	(34,319)	-	-	-	-	-	-	(34,319)	
NHB	(19,330)	(5,000)	-	20,407	-	-	-	-	(3,923)	(5,000)	-	5,741	-	-	-	(3,182)	-	-	-	-	-	-	(3,182)	
Strategic School Improvement Fund	(2,772)	-	-	2,572	-	-	-	-	(200)	-	-	-	-	-	-	(200)	-	-	-	-	-	-	(200)	
Improved Better Care fund	(1,640)	-	-	(6,071)	-	-	-	-	(7,711)	-	(5,066)	-	-	-	-	(12,777)	-	-	-	-	-	-	(12,777)	
Additional Improved Better Care Fund	(7,017)	-	-	-	-	2,821	-	-	(4,196)	-	-	-	-	-	-	(2,074)	-	-	-	-	-	-	2,074	
Adult Social Care Support Grant	(1,500)	-	-	-	1,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Local Lead Flood	(32)	(2)	-	-	-	-	-	-	(34)	(2)	-	-	-	-	-	(36)	-	36	-	-	-	-	(0)	
Reserves																								
Earmarked (Corporate)	(6,094)	-	-	-	-	114	(7,114)	(13,094)	-	-	-	-	-	-	-	595	4,906	(7,593)	-	-	-	5,384	(3,269)	(5,478)
General Fund (Smoothing)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Financing	(346,460)	(9,102)	(15,511)	36,781	-	2,935	(7,114)	(338,473)	(9,602)	(9,319)	17,223	1,500	2,717	4,906	(331,047)	-	(2,907)	-	-	7,458	(3,269)	(329,765)		

**The Council's 2018-19 Budget Report and
Medium Term Financial Strategy 2018-21**

Appendix 2

CORE SPENDING POWER

CORE SPENDING POWER¹

Please select authority

Tower Hamlets

Illustrative Core Spending Power of Local Government;

	2015-16 £ millions	2016-17 £ millions	2017-18 £ millions	2018-19 £ millions	2019-20 £ millions
Settlement Funding Assessment ²	187.9	170.7	158.1	151.1	142.9
Compensation for under-indexing the business rates multiplier	1.5	1.5	1.3	2.2	3.4
Council Tax of which;	69.8	76.9	85.8	96.0	104.4
<i>Council Tax Requirement excluding parish precepts (including base and levels growth)</i>	69.8	75.4	81.8	88.9	96.7
<i>additional revenue from referendum principle for social care</i>	0.0	1.5	4.1	7.1	7.7
<i>Potential additional Council Tax from £5 referendum principle for all Districts</i>	0.0	0.0	0.0	0.0	0.0
Improved Better Care Fund	0.0	0.0	8.7	11.9	14.9
New Homes Bonus ³	24.8	28.6	23.9	20.7	19.9
New Homes Bonus returned funding	0.3	0.2	0.2	0.0	0.0
Rural Services Delivery Grant	0.0	0.0	0.0	0.0	0.0
Transition Grant	0.0	0.0	0.0	0.0	0.0
The 2017-18 Adult Social Care Support Grant	0.0	0.0	1.5	0.0	0.0
Core Spending Power	284.3	278.0	279.6	282.0	285.5
Change over the Spending Review period (£ millions)					1.1
Change over the Spending Review period (% change)					0.4%

Please see the Core Spending Power Explanatory note for details of the assumptions underpinning the elements of Core Spending Power.

¹ The figures presented in Core Spending Power do not reflect the changes to Settlement Funding Assessment made for pilot authorities. For information about pilots please refer to the Pilots Explanatory Note. For the Settlement Finance Assessment figures after adjustments for pilots please see Key Information for Local Authorities.

² 2019-20 Settlement Funding Assessment has been modified to include a provisional tariff or top-up adjustment.

³ New Homes Bonus allocations for 2019-20 are for illustration purposes only. Actual payments will depend on housing delivery and are subject to change.

**The Council's 2018-19 Budget Report and
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Appendix 3

GROWTH

Additional Growth Bids - Summary

Appendix 3

Additional Budget Pressures

Directorate	2018/19 £'000	2019/20 £'000	2020/21 £'000	Total £'000
Health, Adults and Community	697	814	3,499	5,010
Children's Services	5,150	(4,180)	-	970
Place	599	(128)	344	815
Governance	100	-	-	100
Resources	695	(200)	(300)	195
Total	7,241	(3,694)	3,543	7,090

Strategic Priority Area	2018/19 £'000	2019/20 £'000	2020/21 £'000	Total £'000
1.1 People access a range of education, training, and employment opportunities and feel they share the benefits from growth	-	-	-	-
1.2 Children and young people feel they are protected and get the best start in life and realise their potential	5,250	(4,180)	-	1,070
1.3 People access joined-up services when they need them and feel healthier and independent	697	814	3,499	5,010
1.4 Inequality is reduced and people live in a cohesive community	195	-	-	195
2.1 People live in a borough that is clean and green	599	(128)	344	815
2.2 People live in good quality and affordable homes and neighbourhoods	-	-	-	-
2.3 People live in safer neighbourhoods and anti-social behaviour is tackled	-	-	-	-
3.0 A focussed and efficient Council co-producing excellent services	500	(200)	(300)	-
Total	7,241	(3,694)	3,543	7,090

Additional Mayoral Priority

Directorate	2018/19 £'000	2019/20 £'000	2020/21 £'000	Total £'000
Health, Adults and Community	289	289	289	867
Children's Services	447	31	2,031	2,509
Place	856	791	791	2,438
Governance	-	-	-	-
Resources	-	-	1,667	1,667
Total	1,592	1,111	4,778	7,481

Strategic Priority Area	2018/19 £'000	2019/20 £'000	2020/21 £'000	Total £'000
1.1 People access a range of education, training, and employment opportunities and feel they share the benefits from growth	450	451	451	1,352
1.2 Children and young people feel they are protected and get the best start in life and realise their potential	507	91	2,091	2,689
1.3 People access joined-up services when they need them and feel healthier and independent	-	-	1,667	1,667
1.4 Inequality is reduced and people live in a cohesive community	-	-	-	-
2.1 People live in a borough that is clean and green	101	80	80	261
2.2 People live in good quality and affordable homes and neighbourhoods	100	-	-	100
2.3 People live in safer neighbourhoods and anti-social behaviour is tackled	434	489	489	1,412
3.0 A focussed and efficient Council co-producing excellent services	-	-	-	-
Total	1,592	1,111	4,778	7,481

Growth Bids - Additional Budget Pressure Growth

Appendix 3A

Reference	Directorate	New or extension to 2020/21	Title	Strategic Priority Area	Lead Member	2018/19 £'000	2019/20 £'000	2020/21 £'000	TOTAL £'000	
GRO/ CHI 01 / 18-19	Children's Services	New	SEND Transport	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Cllr Amy Whitelock-Gibbs	1,200	(1,000)	-	200	
GRO/ CHI 02 / 18-19	Children's Services	New	A Team Arts - Youth Services	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Cllr Abdul C Mukit	170	-	-	170	
GRO/ CHI 03 / 18-19	Children's Services	New	Staffing Vacancy Factor	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Cllr Amy Whitelock-Gibbs	1,200	(600)	-	600	
GRO/ CHI 04 / 18-19	Children's Services	New	Leaving Care	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Cllr Amy Whitelock-Gibbs	1,500	(1,500)	-	-	
GRO/ CHI 05 / 18-19	Children's Services	New	Edge of Care	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Cllr Amy Whitelock-Gibbs	450	(450)	-	-	
GRO/ CHI 06 / 18-19	Children's Services	New	Children's Social Care - Section 17	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Cllr Amy Whitelock-Gibbs	630	(630)	-	-	
			Children's Services Total				5,150	(4,180)	-	970
GRO/ GOV 01 / 18-19	Governance	New	Academy Conversions	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Cllr Amy Whitelock-Gibbs	100	-	-	100	
			Governance Total				100	-	-	100
GRO/ HAC 01 / 18-19	Health, Adults and Community	Extension to 2020/21	Demographic Pressures in Adult Social Care	1.3 People access joined-up services when they need them and feel healthier and independent	Cllr Denise Jones	697	814	3,499	5,010	
			Health, Adult & Community Total				697	814	3,499	5,010
GRO/ PLA 01 / 18-19	Place	Extension to 2020/21	Waste Collection and Treatment	2.1 People live in a borough that is clean and green	Cllr Rachel Blake	(62)	(37)	365	266	
GRO/ PLA 02 / 18-19	Place	Extension to 2020/21	Freedom Pass	2.1 People live in a borough that is clean and green	Cllr Amina Ali	(179)	169	379	369	
GRO/ PLA 03 / 18-19	Place	New	Food Safety Officers	2.1 People live in a borough that is clean and green	Cllr Amina Ali	100	(100)	-	-	
GRO/ PLA 04 / 18-19	Place	New	Public Realm Retenders	2.1 People live in a borough that is clean and green	Cllr Rachel Blake	450	(160)	(110)	180	
GRO/ PLA 05 / 18-19	Place	New	Local Plan to 2018 Delivery Package	2.1 People live in a borough that is clean and green	Cllr Rachel Blake	290	-	(290)	-	
			Place Total				599	(128)	344	815
GRO/ RES 01 / 18-19	Resources	New	Heritage Collections Backlog	1.4 Inequality is reduced and people live in a cohesive community	Cllr David Edgar	115	-	-	115	
GRO/ RES 02 / 18-19	Resources	New	Transitional Support to Manage Housing Benefit Admin Grant Reductions	3.0 A focussed and efficient Council co-producing excellent services	Cllr David Edgar	500	(200)	(300)	-	
GRO/ RES 03 / 18-19	Resources	New	Idea Stores Book and Materials Stock Fund	1.4 Inequality is reduced and people live in a cohesive community	Cllr David Edgar	80	-	-	80	
			Resources Total				695	(200)	(300)	195
			Total Additional Budget Pressure Growth				7,241	(3,694)	3,543	7,090
			Additional Inflation Requirement				2,269	2,060	6,500	10,829
			Total Additional Budget Pressure Growth and Inflation Requirement				9,510	(1,634)	10,043	17,919

Growth Type	Budget Pressures
Title	SEND Transport
Reference	GRO/ CHI 01 / 18-19
Strategic Priority Area	1.2 Children and young people feel they are protected and get the best start in life and realise their potential
Lead Member	Amy Whitelock-Gibbs
Directorate	Children's Services
Service Area	SEND
Lead Officer	Terry Bryan

Financial Information	Budget Allocation	Growth Bid		
		2017-18 £'000	2018-19 £'000	2019-20 £'000
Employee Costs				
Other Costs	3,000	1,200	(1,000)	
Income				
Reserves				
Total	3,000	1,200	(1,000)	

Staffing Impact	2017-18	2018-19	2019-20	2020-21
Employees (FTE)				

Description & Justification

The proposed growth bid is for a one off amount of £1.m from the Risk reserve to fund immediate pressures within the service and a recurring £0.2m for growth. Investigative work is ongoing to scrutinise the levels of spending in order to identify potential savings to reduce the pressure on the service.

The provision of transport for children and young people with SEND is a statutory duty which is funded through the use of the General Fund contribution to the SEND budget in Children's Services and delivered by the Transport Team. Provision of transport is deemed necessary in order to enable children and young people access appropriate educational provision.

The financial pressures in this area are not just an issue in Tower Hamlets. A recent London Councils survey showed that 23 out of 28 boroughs are collectively spending £94 million **more** on high needs than received from central government – equivalent to a 13.6 per cent funding gap. **In addition, there is an estimated average overspend of £1 million per borough on transport for children with SEND.** At a London and national level there is continued lobbying of the government to provide adequate funding for these required services.

The High Needs Funding Block, ring -fenced funding for SEND pupils, has been capped for several years. There is a modest increase for the financial year 2018-19 but this is not related to pupil numbers. When the year on year increase in pupil numbers is accounted for, it can be surmised that efficiencies are already being made as the over-spend is not increasing in proportion to the additional numbers being catered for.

The breakdown of budget pressures which total £1.2m is as follows-

Cost Code: 81055 – SEN Transport – In House

Projected overspend - £675,520

This service is for the transport of LBTH pupils with special educational needs from home to school within the borough. The budget was not adequately resourced and therefore carried a year on year over spend. This historic overspend was further exacerbated by a reduction being taken in anticipation of savings to be made by the In-House provider. The required action to realise these savings were not taken by the Transport Service and so resulted in an

apparent increase to the overspend.

Cost Code: 81506 – SEN Transport – External

Projected overspend - £599,724

This service is for the transportation of LBTH pupils with special educational needs from home to schools outside the borough, or to schools not serviced by the In-House provider. It has historically been overspent for a number of years.

Numbers of children with SEND are increasing year on year and there is significant projected growth. Whilst there is some scope for dampening demand, this is limited as the higher relative demand in the borough is likely to be real and arising from the levels of poverty (there is a correlation between SEND and poverty), families moving to TH in order to access outstanding SEND school provision as well as local demographic factors. All applications for transport are scrutinised and children and young people who are able to travel independently are given travel training and are funded to use public transport. A review of the provision of transport will be included in the annual review to ensure as children grow and mature, their capacity for independent travel will be assessed.

A forensic scrutiny of spending on transport is being undertaken and although there is expected to be some scope for savings, it is unlikely to be significant in the short term. In the longer term work is being undertaken on strategic pupil place planning for specialist provision and this has the scope to reduce costs in relation to External SEN Transport, but this will involve capital investment and therefore a long timescale to have an impact on the budget.

Budgeted Outcomes/ Accountability (Focus on Improved performance)

The Council must make transport arrangements for all children who cannot reasonably be expected to walk to school because of their mobility problems or because of associated health and safety issues related to their special educational needs (SEN) or disability. Eligibility, for such children is assessed on an individual basis to identify their particular transport requirements. Usual transport requirements (e.g. the statutory walking distances) cannot be considered when assessing the transport needs of children eligible due to SEN and/or disability.

Risks & Implications

- Risk to the effectiveness of assessment and review process
- Risk of additional demand led funding pressures
- Risk to ability to demonstrate a fair and robust needs based individual assessments and re-assessments in accordance with the LA's statutory duties.
- Risk of legal challenge at SEN Tribunal

Value for Money & Efficiency

A study undertaken by external consultants in 2016 concluded that a further 'best value' review was needed to determine where there were opportunities for efficiency savings, including a cost benefit analysis of the Borough's in house transport services to decide whether it should be outsourced. The best value review will also include an examination all aspects of the policy, entitlement criteria and operational arrangements for the provision of home to school transport for pupils with special educational needs. Work for the review will be overseen by Interim Divisional Director Youth and Commissioning and is expected to be completed before 31 March 2018. Any efficiencies identified will contribute towards savings in both Adults and Children's directorates. The review will also help manage the risk from demand led pressures and legal challenges.

Within the SEND service, a bespoke pupil place planning project is underway which will model relatively accurate projections of pupil numbers and allow more strategic planning including, if shown to be necessary, for local capital projects to accommodate the growing demand without adding disproportionately to transport costs.

Growth Type	Budget Pressures
Title	A Team Arts - Youth Services
Reference	GRO/ CHI 02 / 18-19
Strategic Priority Area	1.2 Children and young people feel they are protected and get the best start in life and realise their potential
Lead Member	Cllr Abdul C Mukit
Directorate	Children's Services
Service Area	Youth Service
Lead Officer	Claire Belgard

Financial Information	Budget Allocation	Growth Bid		
		2018-19 £'000	2019-20 £'000	2020-21 £'000
Employee Costs		100		
Other Costs		70		
Income				
Reserves				
Total		170		

Staffing Impact	2017-18	2018-19	2019-20	2020-21
Employees (FTE)	3	3		

Description & Justification				
The proposed growth bid is for a £0.170m permanent base budget adjustment to fund the A team Arts – Youth Services as detailed below. The 2017/18 pressure has been funded by Mayor's reserve.				
<p>Prior to the current financial year 2017-18 the A Team Arts was funded through a £170,000 Service Level Agreement payment to Arts, Parks and Events. This funded the 3 FTE employees plus some overheads for the use of the Brady Arts Centre and activity costs for projects. During the budget planning process for 2017-18 and beyond, which was closely aligned with the youth service review and restructure and savings proposed in the medium term financial plan, it was intended that this SLA would end from 31st March 2017. During the 2017/18 budget setting process an additional amount of funding of £300,000 was requested to be drawn down from the Mayors Reserve to fund two pilots and cover the cost of the A Team Arts for one year. The team has subsequently been moved into the core youth service. If the pilots result in a requirement for future funding this will be assessed separately however a need has already been identified to continue funding A Team Arts as part of the youth service beyond the current financial year.</p>				

Budgeted Outcomes/ Accountability (Focus on Improved performance)

The A Team Arts is currently one of the highest performing areas of the youth service delivering the highest numbers of accredited outcomes for young people in an informal education setting in Tower Hamlets. Students on the A Team Arts programmes are regularly successful in their applications to university to study arts related subjects.

In the last performance year the A Team delivered over 100% of all performance targets sets and achieved 91 certified and 45 accredited outcomes, this represents a cost for the £170K budget of £1,250 per accredited outcome. A Team Arts also historically attracts a more diverse group of young people than the universal youth service, attracting a much more ethnically diverse group and significantly higher numbers of young women.

All youth service projects, including A Team Arts have been measured against targets for:

- Contacts (numbers of young people accessing provision and registering their details)
- Participants (numbers of registered young people accessing the same provision five times – counted once)
- Accredited outcomes (numbers of young people who have completed an accredited training course)

As noted above A Team has historically achieved all their performance targets and achieve accredited outcomes at a lower cost than other provision in the service. For the current year 2017-18 and future years to which this growth bid relates they have been set the same level of performance target.

From October 2017 the youth service is introducing an outcomes framework which has been coproduced with the community and voluntary sector and young people, this will capture a range of measures that better reflect the outcomes sought through engagement with the youth service, these are:

- Young people have an increased sense of agency in their lives and their communities
- Young people feel more optimistic about their futures
- Young people are better able to access holistic and supportive opportunities across the borough of Tower Hamlets
- Young people increase their critical thinking skills

These will be measured through a range of user voice questions scored on a scale of 1-5 at set points within the young person's journey with an overall target of an increase of 20% by 2020. Individual projects, including A Team Arts will be set targets for 2018-19 and 2019-2020 once the 2017-18 baseline has been established.

The youth service outcomes link to the council strategic objective "Creating opportunity by supporting aspiration and tackling poverty"

Risks & Implications

A Team Arts is very well regarded within the local community and has key partnerships with high profile organisations such as Central St Martins Central St. Martin's College of Art, Queen Mary University and Tower Hamlets Arts Music Education Service. The team have delivered award winning projects such as Her Link in association with public health which raises awareness of child sexual exploitation and was shown at the Edinburgh Fringe Festival. There is significant reputation risk in withdrawing funding from the service.

Value for Money & Efficiency

A Team Arts offers good value for money as evidenced in the outcome cost comparison, moving the team into the youth service in the current year has also offered some efficiency in terms of working practices as the team are now running more projects in the universal youth service which is providing more young people the opportunity to access informal learning and reduces the teams dependence of delivering through schools. Although this does not reduce the cost of the service, a large part of which is staffing, it does provide a more effective method of delivery.

Growth Type	Budget Pressures
Title	Staffing Vacancy Factor
Reference	GRO/ CHI 03 / 18-19
Strategic Priority Area	1.2 Children and young people feel they are protected and get the best start in life and realise their potential
Lead Member	Cllr Amy Whitelock-Gibbs
Directorate	Children's Services
Service Area	Children's Social Care
Lead Officer	Nancy Meehan

Financial Information	Budget Allocation	Growth Bid		
		2017-18 £'000	2018-19 £'000	2019-20 £'000
Employee Costs	23,634	1,200	(600)	
Other Costs				
Income				
Reserves				
Total	23,634	1,200	(600)	

Staffing Impact	2017-18	2018-19	2019-20	2020-21
Employees (FTE)				

Description & Justification				
This growth bid is for £1.2m to fund the vacancy factor pressure on children's social care staffing (exc admin), detailed below. £0.6m will be funded in base budget and £0.6m will be funded as a one-off from Transformation reserves.				
Children's Services Directorate have an in built vacancy factor which was introduced as part of the budget savings in 2013 – 2014. This is no longer sustainable in the present climate. Following the recent Ofsted inspection that rated Children's Social Care as inadequate there has been a noticeable and predicted increase in work throughout the whole of Children's Services. The increase in demand since 1.4.2017 is evidenced by a 15% rise in work and an increase in monthly contacts of 41% and in referrals an increase of 66%. Although the service has expanded as part of the redesign, this has not been sufficient to continue to hold a vacancy factor in the overall staffing establishment.				
Caseloads have increased and the work continues to be complex. There is a noticeable increase in the child protection figures and those children requiring safeguarding responses. This is likely to continue for a significant time during the period of intervention and improvement. This bid requests additional funding to mitigate the budget pressure in maintaining a 6% staffing vacancy factor.				
The original staffing budget was forecast with an agreed 6% vacancy rate to be held across the former Directorate of Education, Social Care and Wellbeing and continued when separate Directorates were established for Adults and Children's Services in 2015. Within Children's Social Care there is a need to maintain a full complex of staffing establishment to manage the work pressures. Presently all vacancies have required filling with agency workers, this relates to not only vacancies but also long term sick and maternity. The result being two fold the overspend on the budget due to not maintaining the vacancy factor but also the use of agency which comes with added expense due to the rate of fees associated to this cohort of staff. There are currently 11 staff in Children's Social Care on maternity leave, 10 of which have a front line role (mostly social workers). Sickness absence is currently an average of 9.36 days per employee, of which 6.87 days is long term absence (periods of sickness lasting 20 days or more). During the last year, 51 employees in Children's Social Care have had a period of absence of 20 days or more which would have either resulted in agency cover being used or additional pressure placed on already stretched staffing resources to maintain a safe level of service.				

The vacancy factor accounts for approximately £1.2 m of the overspend alongside covering for those positions where there is long term sick and maternity. The cost of agency to address this demand is forecast at £1.7m

The underlying pressure therefore amounts to £2.9m. This growth bid seeks to agree an increase in budget until 2019 to compensate for the current demand and consequent pressure on the workforce by which time the on-going budget needs will be identified as service demand is expected to have stabilised and benefited from other planned changes, for example, the improve Early Help offer.

Budgeted Outcomes/ Accountability (Focus on Improved performance)

Priority one – children get the best start in life and young people realise their potential.

Risks & Implications

The expenditure is inevitable as part of the response to an inadequate judgement. Although there was a previous commitment to maintain a 6% vacancy rate across Children Social Care and other Children's Services, failing to provide sufficient funding will mean the service is unable to adequately respond to the present increase in work.

By not having sufficient workforce with a manageable level of caseloads, it will result in deterioration to the service provided to children and their families which presents a safeguarding risk for them and risks the health and wellbeing of staff in addition to the risk of damaging the Council's reputation. There is also a risk that Ofsted will, on future monitoring visits, not evaluate the Council as delivering the improved performance that have been committed to which will result in a form of external intervention of the management of Children's Social Care.

Value for Money & Efficiency

This is an area of statutory responses for service delivery as identified in legislation and regulations. The requirement to respond is non-negotiable and the LA is at risk both in reputation but also by not fulfilling its safeguarding responsibilities.

To mitigate the risk of not maintaining sufficient staff, our current recruitment and retention offer has been reviewed to ensure it is competitive. Recruiting permanent staff will reduce the need for agency workers, this is unlikely to impact in the current financial year. It is therefore likely the service requires a growth bid of £1.2m to reverse the 6% vacancy factor. The agency related problems should ease in year 2018 – 2019 as we recruit a more stable and permanent workforce.

Growth Type	Budget Pressures
Title	Leaving Care Service
Reference	GRO/ CHI 04 / 18-19
Strategic Priority Area	1.2 Children and young people feel they are protected and get the best start in life and realise their potential
Lead Member	Amy Whitelock-Gibbs
Directorate	Children's Services
Service Area	Childrens Social Care
Lead Officer	Nancy Meehan

Financial Information	Budget Allocation	Growth Bid		
		2017-18 £'000	2018-19 £'000	2019-20 £'000
Employee Costs	892			
Other Costs	1,316	1,500	(1,500)	
Income	(15)			
Reserves				
Total	2,193	1,500	(1,500)	

Staffing Impact	2017-18	2018-19	2019-20	2020-21
Employees (FTE)				

Description & Justification

The proposed growth bid is for a one off amount of £1.5m from the Risk reserve to fund immediate pressures within the Leaving Care Service (LCS). Investigative work is ongoing to scrutinise the levels of spending in order to identify potential savings to reduce the current pressure on the service. In addition there is a current review of Leaving Care and 16+ services with an aim to reduce future pressures.

2017/18 unfunded Pressure £1.3m - This growth bid (£1.5m) includes £1.3m of unfunded pressure which was not identified for the 2017/18 budget build process. The justification for this pressure is stated in the below.

Request for an increase in the core accommodation budget for Care Leavers. This is due to there being an increase in the number of young people with complex needs entering the LCS cohorts, which has required LCS in sourcing more specialist supported accommodation provisions. These placements often range from £900 per week up to £2,200 per week. In order to match care leavers' needs with the supported accommodation provisions, has resulted in the current overspend. Some of the key factors requiring high supported placements are as follows:

- Trafficked children with complex needs moving on leaving care service
- High risk child sexual exploitation cases becoming adults with high level of vulnerability
- Substance misuse issues
- Sex working
- Violence
- Gang affiliation (danger to themselves and others and mostly will require out of borough placements)
- Unaccompanied asylum seekers (not having access to public funds)
- Emotional and mental health related cases that does not always meet adult threshold
- Disabilities
- Learning Difficulties
- LCS inheriting cases where care leavers have inadequate level of independent skills that requires high supported placement to help focus on developing basic living skills.
- Rough sleepers

Other factors impacting upon the increase in the use of complex and high supported accommodation:

- General increase in the number of care leavers entering the LCS with both low to medium as well as high support needs;
- New legislation placing a duty upon Local Authority (LA) LCS teams to provide support, including accommodation until the Age of 25 (previously up to the age of 21) (Children and Social Work Act 2017);
- Placement breakdowns requiring higher level of supported accommodation;
- The nature of LASPO (Legal Aid, Sentencing and Punishment of Offenders) Act 2012 cases feature themes around gangs and violence, substance misuse and drug dealing and Sexual Exploitation;
- On-going ROTA Referral (Asylum) cases.

This growth bid will help forecast (financial as well as commissioning accommodation providers) and meet the needs of care leavers in line with the statutory responsibilities and duties. Thus enabling a smoother transition to adulthood and better outcomes (employed or in education / training/ suitable accommodation). Additionally this can have financial savings in the long term for the LA as a whole.

Budgeted Outcomes/ Accountability (Focus on Improved performance)

- Ensure that the Local Authorities statutory obligations under the Children Act 1989 and the Leaving care Act in relation to providing services for children and young people who have been looked after and eligible for leaving care services
- To ensure that the Local Authority is compliant and prepared for OFTSED improvements visits which are currently taking place, over the forthcoming 2 years.
- For the Local Authority to demonstrate and support those care leavers to have equal opportunities to enjoy and achieve and have better life chances .

Risks & Implications

Statutory Duty:

The Local Authority (LA) has a statutory responsibility as a corporate parent to provide suitable accommodation to care leavers, and can be prone to judicial review if it does not discharge its duty accordingly.

Risks associated with lack of adequate suitable accommodation:

1. DFE Performance Indicator of Suitable Accommodation being low;
2. Below 'Good' rating from OFSTED Inspection: Inability to adequately plan and provide suitable accommodation that meets care leavers' needs (See below for Criteria for 'GOOD');
3. Poor Outcomes for LBTH Care Leavers: Care Leavers may become homeless, risk to themselves and others, and remain NEET post case closure, resulting in bleak prospects for their future;
4. Resulting in the increase in the number of care leavers accessing services through Adults Social Care and other costly services.

Impact upon OFSTED Rating:

The LA will need to demonstrate to OFSTED Inspectors the following criteria to achieve a 'Good' Rating:

- Care leavers are safe and feel safe, particularly where they are living, and are helped to understand how their life choices will affect their safety and well-being.
- Care leavers succeed in their transition to greater independence and adulthood at a time that is right for them.
- Risks of tenancy breakdown are identified and alternative plans are in place.
- Accommodation for care leavers is appropriate for each young person to safely develop their independence skills.
- Care leavers develop the skills and confidence they need to maximise their chances of successful maturity to adulthood, including parent-hood. This includes learning to budget, to live independently and to manage safe

- relationships and behaviour.
- Care leavers have access to appropriate education and employment opportunities, including work experience and apprenticeships.
 - Care leavers are progressing well and achieving their full potential through life choices, either in their attainment in further and higher education or in their chosen career/occupation.

The costs for Accommodation are statutory and viewed to be essential ingredients in achieving at least a 'Good' Rating from OFSTED.

Accommodation Breakdown:

Table 1 below provides a breakdown of the number of current cohort of care leavers placed in the range of accommodation (as at End of Aug 2017). Please note the LCS is anticipating an intake of a further 77 cases from the current Looked After Children Cohort within the next 12 months. This does not include any LASPO or Rota Referral cases:

Type of placement	Numbers
Foster care/Staying Put	12
Family/friends perm	22
Family/friends temp	18
Hospital	2
Self-contained	1
HPU perm	2
HPU temp	3
Prison	17
Private rented	6
Residential	18
Supported	80
Shared	59
Staying put	10
Tenancy HA	17
Tenancy LA	19
Unknown	11
Total	297

This Growth Bid relates specifically those marked in PINK.

Table below shows figures relating to historical spend and current spend and forecast. This is likely to change subject to further cases transferring to LCS



LA is in the process of undertaking a feasibility study into reshaping the LCS to a **16 - 25 service (currently LCS is a 18 plus service)**, if this happens, then we are anticipating an increase of (132 case from the CLA service), additionally due to the duty imposed by the Children and Social Work Act 2017 there is likely to be an increase of further 229.

Totalling a 658 Care Leavers needing to provide support services.

Future Forecasting of Breakdown

Age Band	No of Cases
16	55
17	77
Current Cohort	297
21- 25 (Cases falling under the Children and Social Work Act 2017)	229
Total	658

The approval of increasing the baseline budget for accommodation will help LCS operate within a realistic budget framework, which will facilitate the LCS to appropriately meet the statutory responsibilities as corporate parents, as well as meeting the long term needs of the care leavers through effective planning, sourcing and commissioning suitable accommodation

Value for Money & Efficiency

Over the last 12 months there has been a large increase of young people entering the Looked After service. In addition, this cohort group has predominantly aged 10-15. Further analysis of the performance data has identified that during the period April 2014 to March 2017; children aged 10 – 17 accounted for 65% (403) of the population entering the care system and of which 54% are between the ages of 10 and 15. Only 60 children (10%) below the age of one became looked after over the same period.

On looking at the monthly cycle; there is not significant seasonal effect on the rate of entry into care with the exception of that of younger teens. The main activity months in the last 3 years appear to be in the months of October and November.

In the year to date, a total of 45 children became looked after and of which seven had previous care experiences. Eighteen children (39%) were aged 16 and over when they entered the care system.

The number of care applications made to the courts by Tower Hamlets has increased substantially in recent years. In comparison that of Tower hamlets is now ranked 2nd highest amongst its statistical neighbours compared with its 9th position in 2013/14.

The overall proportion of children exiting care is almost the same as the entering care in Tower Hamlets. In the period April 2014 – March 2017; a total of 633 children were discharged from care compared with 619 admitted into care over the same period.

Seven in ten of children leaving care are aged 10 and over and of which half are aged 18 at the time of leaving care. The age distribution of children leaving care is in line with national average, however, fewer proportions of older teenagers left care in 2017 compared with previous years.

The majority of children (61%) that left care in the period April 2014 to March 2017 did so within six months of entering care. Children aged 10 and above account for 40% share of all discharges from care in the same period and those aged 4 and under account for only 13% (81). Children leaving care on turning age 18 account for 32% of the cohort.

At the end of March 2017, 60% of children leaving care did so within 6 months of coming into care indicating an increase of 5.6% increase from 2015. Less than 7% of those ceasing care where looked after for 2 years and over.

A total of three hundred and seven young adults are in receipt of leaving care services at the end of July 2017 comprising of 114 females (37%) and 192 males (64%). These figures also include 31 young adults aged 16 and 17 currently in care (eligible).

A total of three hundred and seven young adults are in receipt of leaving care services at the end of July 2017 comprising of 114 females (37%) and 192 males (64%). These figures also include 31 young adults aged 16 and 17 currently in care (eligible).

The majority of service users are between the ages of 18 and 20. Fifty-five (18%) young adults receiving leaving care support are young unaccompanied asylum seekers and 80% are aged 18 and over.

What does seems clear from the information pertained above, is that LBTH have increased its cohort group of older LAC children and the population of these older younger people have very complex needs, thus placement provision and placement stability have been challenging. The growth bid will enable more robust provision for placement provision; moreover, this will enable older young people to have the opportunity remain in borough. This will enable more effective planning for accommodation earlier on. Sufficient time to develop partnerships with placement providers. Care leavers will have access to suitable accommodation that meet their needs; Care leaver's progress well and achieve their full potential, thus increasing social mobility, independence and employability. Reduction of homelessness amongst care leavers.

Growth Type	Budget Pressures
Title	Edge of Care
Reference	GRO/ CHI 05 / 18-19
Strategic Priority Area	1.2 Children and young people feel they are protected and get the best start in life and realise their potential
Lead Member	Cllr Amy Whitelock-Gibbs
Directorate	Children's Services
Service Area	Children's Social Care
Lead Officer	Nancy Meehan

Financial Information	Budget Allocation	Growth Bid		
		2018-19 £'000	2019-20 £'000	2020-21 £'000
Employee Costs		400	(400)	
Other Costs		50	(50)	
Income				
Reserves				
Total		450	(450)	

Staffing Impact	2017-18	2018-19	2019-20	2020-21
Employees (FTE)				

Description & Justification
The growth bid is for a one-off amount of £0.450m from the Transformation/ Improvement Reserve to fund an Edge of Care Service as detailed below.
The aim of the service is to reduce the numbers of children and young people with emotional difficulties and psychological problems who become looked after by the Council.
The service proposal will ensure that there is integrated work with partner agencies to ensure young people aged 11 to 17 and their families experience real choice with regard to their care/support.
It will ensure all agencies working with children, young people and their families are working towards agreed and meaningful outcomes that will help to realise and support the aspirations and goals of each client.
That all front line staff (social work, health, social care, education, third sector) working directly or indirectly with young people and their families are appropriately trained and enabled to recognise and support children and young people and their families who are experiencing or may be experiencing emotional problems.
It will ensure that each child, young person and their family, has a robust, agreed service or integrated care plan that enables them to be active participants developed in full partnership with the lead professional in their case.
The service will plan, provide and oversee intervention packages to ensure each child or young person and their families who access the service are supported and encouraged to view the service provided as a brief intervention that will enable a return to routine and self-maintained life as soon as possible.
It will provide a service that promotes and encourages each child, young person and their family to continue to live normal life as possible whilst receiving services, and will ensure that communities have the following:
<ul style="list-style-type: none"> • A named facilitator to work alongside the lead professional to coordinate each individual case • A service that utilises a range of evidenced based approaches/interventions to support young people to

- realise their ambitions and goals and encourages positive pro-social behaviour
- Achieves excellent outcomes for young people, families and carers
 - Is needs led and ensures effective participation of children, young people, families and carers
 - Is responsive and easily accessible and that actively works to reduce stigma surrounding mental ill health
 - Embeds Edge of care and prevention as key service components, providing increased community support, and ensuring that less, young people and their families have need of or are referred to tier 3 social work services
 - Demonstrates a "can do" approach supporting multi agency and disciplinary collaborative working
 - Edge of care will work with the older young people to provide wrap around service to reduce the need for care entry.

LBTH responds to children needs as identified in the threshold document.

Tier 1 emotional well-being services are provided by a range of professionals from Health, , allied health professionals, third sector agencies and education to provide early intervention, signposting, support, prevention strategies, mentoring, to children, young people and their families.

Tier 2 services are supported or provided by Targeted Services teams and other professionals. These services are provided by Targeted professionals. They support early identification and early intervention, working other professionals as part of the 'Team Around the Child,' to support the care of the young person.

The aim of the edge of care team is to work with those children at the high ended level of need who require statutory services. Tier 3 and 4 services are for young people with more severe, complex or persistent disorders who may require accommodation from the local authority if their needs are not met. The project will work closely with Social Work practitioners to plan and provide intervention packages including sustaining young people stepping down from accommodation.

In the financial year 16/17 approximately 85 children and young people over the age of 10 entered care and required accommodating by the local authority. As part of the edge of care service LBTH has already been successful in securing MST and FFT via a social impact bond which will respond to 24 of this cohort of children. In the represent accommodation it is believed that at least 50% of this cohort of children will potentially result in requiring residential accommodation (based on present figures of 4 in internal residential and 26 in external residential) the cost of this can be estimated at approximately 4.6 million (based on average cost of residential of £3000 per week). For the other 50% the likelihood is that foster care would be an option, costing £780 000, (based on an average cost of £500 per week as a combination of internal and IFA).

The proposal is to establish a Edge of Care team as a invest to save to support intensive packages of wrap around care to those children on the Edge of Care to support them in remaining safely with family and in the community.

To provide an evidence-informed assessment of the young person and their vulnerabilities using a recognised assessment tool.

The Service will:

- Respond to urgent referrals on same day/next working day
- Provide out of hours services to meet planned and urgent needs
- Planned consultation, support and guidance from a specialist young people's practitioner

A wide range of evidence based interventions will be made available to enable real choice for every child, young person and family member. The recovery model will be adopted and promoted as the overarching theme for the whole service. Putting recovery into action means focusing care on supporting recovery and building the resilience of young people with emotional and mental health problems, not just on treating or managing their symptoms.

Based on the present cohort of 60 children this would require approximately 8 workers to be available to support these young people. This is based on a model of 6 to 8 week intensive responses to young people and maintaining an average case load of 8 children. The cost associated with this is approximately £40,000 per year (without on costs) x 8

= £320,000 (without on cost) per year. This equates to £400,000 inclusive of 25% on costs which is required as recurrent funding. An additional £50,000 one off cost for training is also being requested.

Number of young people (10-17 p.a. eligible for services)	Number of support staff required to deliver intensive 6-8 week interventions	Staffing Costs (inclusive of on costs)	Training (systemic therapy, motivational techniques and understanding the behaviour of older young people)
60 (excludes 24 young people that will be referred to MST/FFT programme)	8 FTE	£400k per annum recurrent	£50k one off cost

This service would work closely with CSC teams, placement teams, providers, key stakeholders including CAHMS to support young people to remain safely in community.

The additional staff will provide an out of hours intervention service which is currently not available in existing teams.

Budgeted Outcomes/ Accountability (Focus on Improved performance)

Priority one – Children get the best start in life and young people realise their potential
Ensure better outcomes for looked after children and young people

Risks & Implications

The service believes that for many teenagers, positive outcomes are more likely when families receive effective edge of care support and outreach services than by the young person entering care.

Intensive interventions for children and young people edging towards care, at risk of exclusion and/or exploitation will be delivered to support children remaining out of care. Research is clear that outcomes for older young people entering care in the main are poor.

If we cannot deliver an effective Edge of Care programme, the care cohort will continue to evidence the older age range entering into care, which not only impacts on placement budget as these young people tend to move into residential but also the Leaving care budget and there is limited permanency options available for these young people to exit care to other legal permanency options.

Value for Money & Efficiency

This is an Invest to Save model in that investing in this service will reduce the need for more expensive residential placements and high cost provision which in the long term will reduce the placement budget.

On the basis of the financial modelling above, the financial investment will potentially lead to the avoidance of costs of approximately £4.9m.

Project to start immediately with the edge of care service to be fully implemented by January 2017.

KPIs to be formulated and reported quarterly with a review at 9 months.

Growth Type	Budget Pressures
Title	Children's Social Care - Section 17
Reference	GRO/ CHI 06 / 18-19
Strategic Priority Area	1.2 Children and young people feel they are protected and get the best start in life and realise their potential
Lead Member	Cllr Amy Whitelock-Gibbs
Directorate	Children's Services
Service Area	Children's Social Care
Lead Officer	Nancy Meehan

Financial Information	Budget Allocation	Growth Bid		
		2018-19 £'000	2019-20 £'000	2020-21 £'000
Employee Costs				
Other Costs	382	630	(630)	
Income				
To Reserves				
Total	382	630	(630)	

Staffing Impact	2017-18	2018-19	2019-20	2020-21
Employees (FTE)				

Description & Justification

This growth bid is for a one off amount of £0.630m from the Risk reserve to fund the pressures within the Section 17 Children In Need (CIN) budget. Under Section 17(1) of the Children Act 1989, local authorities have a general duty to safeguard and promote the welfare of children within their area who are in Need; and so far as is consistent with that duty, to promote the upbringing of such children by their families, by providing a range and level of services appropriate to those children's needs. Investigative work is ongoing to scrutinise the levels of spending in order to identify potential savings to reduce the pressure on the service.

The current projected overspends in Children Social Care (CSC) as at September 2017/18 are

- Family Support and Protection (FSP) £185,000
- No Recourse to Public Funds (NRPF) £130,000
- Assessment and Intervention (A&I) £124,000

This totals £439,000 in 2017/18. However we are expecting further pressure on the section 17 budget as outlined below.

In April 2017, the Ofsted inspection report was published which rated LBTH as inadequate. Within the area of FSP that was severely criticised was the Council's Children's social care response to private fostered children and those children who were subject to pre proceedings process under the PLO framework. A further area of concern is the increase in numbers of children subject to Child Protection (CP) plan and CIN resulting in a requirement to support these families which in many cases, means financial support to maintain the children remaining at home.

- Those children subject to Public Law Outline (PLO) are our most vulnerable with the threshold for care proceedings being met. Pre proceedings are applied whilst most children remain with their parents. Historically there has been significant drift and delay in this area. Those cases in PLO exceeded 12 weeks, sometimes extended to over 12 months. The statutory guidance for pre proceedings is 12 weeks, 16 weeks at the outside, for those more complex cases. A review of these highlighted that the delay was due to not commissioning appropriate assessments as this required the financial element to be borne by the Local

Authority (LA) under its section 17 budget.

- Drift and delay at all aspects of the child's journey was acknowledged. A review of cases is being undertaken resulting in more children being escalated to Child protection process and it is envisaged as this scrutiny continue of those cases within CP, more children will enter the pre proceedings process. Resulting in further financial pressures.
- Private Fostering (PF) was a specific area for attention in the Ofsted report where significant improvement activity is taking place. This is likely to increase the identification of private fostering arrangements and the need for associated support services. Following a review of all the private fostering cases some have resulted in Special Guardianship Orders being granted and further number are being supported to obtain orders and formalise the arrangements where private fostering arrangements do not meet the regulations. Where carers refuse obtaining Parental Responsibility (PR), and where there is no parent exercising PR, the LA will be seeking legal advice which could result in PF children becoming Looked After Children (LAC). Again the cost of legal advice and court applications is borne by the section 17 budget that is managed in the FSP service.
- A further demand relates to the transfer of families with no recourse to public funds where these children require long term support and place additional pressures on the section 17 budget. The substantial costs for both support and housing is met by section 17 spend across the service. The CSC have no control over the length of time that these cases remain open as the decision making is led by the home office and the immigration legislation. Only a percentage of these costs are covered by the government grant as the long term costs associated with such cases significantly increase.
- FSP also hold the Prevent cases (radicalisation) due to the sensitivity of this work, most of the cases are heard in the High court resulting in inflated costs due to the need to instruct QC or the equivalent. There are currently 6 families open to the Prevent team which is equivalent to 12 children. Any case resulting in legal action will involve a High Court application costing £2500 to begin with and legal representation costing approximately £250 per hour. Depending on the length of the case in Court, a standard Prevent case could cost the local authority between £50-£70,000.

Budgeted Outcomes/ Accountability (Focus on Improved performance)

Align with the council's strategic priorities; provide performance information data; agreed proposed outcomes and expected improvements in service delivery/ performance

- Ensure Local authority's statutory obligations under the Children Act 1989 to provide services for children in need
- Ensure Local Authority is compliant with statutory guidelines and timescales in relation to children in proceedings and pre-proceeding
- Ensure private fostering arrangements are assessed and reviewed in accordance with the private fostering regulations 2005.
- Ensure children and young people have the opportunity to remain in the local area and community
- Ensure children receive support at the right stage of their journey in the social care system

Risks & Implications

Statutory Duty;

The Local authority (LA) has a statutory response to safeguard children at risk of harm, this includes those children who are subject to private fostering, potentially trafficked children and those who meet threshold for initiating care proceeding but are being managed under the Pre proceedings process.

Risks identified by Ofsted

- Ofsted immediately identified that the private fostering arrangement for children in LBTH were unsafe. There was a lack of understanding of the legal framework in response to private fostering. Children who may have been trafficked or abandoned were not safeguarded sufficiently.
- Ofsted identified that there was drift and delay in pre proceedings and children were not effectively

- safeguarded or protected within this process for far too long.
- Ofsted found the application of threshold across the entire child's journey was inconsistently applied and left children at risk of harm

Impact on Ofsted rating

The LA will need to demonstrate to OFSTED Inspectors the following criteria to achieve a 'Good' Rating.

- That the pre proceedings work is completed within statutory timeframes of 12 weeks. (16 maximum with more complex cases). In order to do this the assessments required, which are usually externally commissioned, need to be completed swiftly
- That drift and delay is reduced particularly in those cases held within the child protection process. There is a review ongoing of all children under the age of 8 who are subject to CP for more than 12 months – this is likely to further significantly increase the pre proceedings cases.
- That those children who are subject to private fostering process are adequately protected and safeguarded with clear assessments. That ensures that families are able to access legal advice which is financed by the LA to secure these children with legal permanent options.

Value for Money & Efficiency

Robust assessment and intervention during the CIN and CP process reduces the need for many cases to escalate into further statutory involvement such as LAC. However this ability has to be based on the availability of the Social Worker to build relationships and therefore this requires a manageable caseload to be able to deliver the intervention.

Growth Type	Budget Pressures
Title	Academy Conversions
Reference	GRO / GOV 01 / 18-19
Strategic Priority Area	1.2 Children and young people feel they are protected and get the best start in life and realise their potential
Lead Member	Cllr Amy Whitelock-Gibbs
Directorate	Governance
Service Area	SPP / Legal
Lead Officer	Layla Richards

Financial Information	Budget Allocation	Growth Bid		
		2017-18 £'000	2018-19 £'000	2019-20 £'000
Employee Costs	0	101.625		
Other Costs	0	33.875		
Income	(40.5)	(35.5)		
To Reserves	0			
Total	(40.5)	100		

Staffing Impact	2017-18	2018-19	2019-20	2020-21
Employees (FTE)	0	2		

Description & Justification				
Academy conversions have increased in the borough in the past year with 8 schools having either been converted / currently in the process of converting. This is a significant increase on previous years, but it is likely that schools and their Governing Bodies will continue to take the decision to convert to academies in the coming years. While schools receive a £25K grant from the DfE towards their conversion costs local authorities do not receive any extra funding. As a result, the Council incurs costs for which it is not funded. To mitigate this, a schedule of charges for any school converting to an academy was introduced for schools converting after 1 May 2017. Costs incurred by the Council are mainly officer time in SPP and Legal, but also Building Development, Asset Management and HR.				
This bid assumes that there will be 5 conversions in a year with 75% of those being standard community school conversions and 25% requiring additional work as PFI schools. The income included above is therefore calculated on this basis. The bid is essentially for two full-time posts to support conversions. One post is a senior lawyer post and the other is a project manager post. Other costs factored in include a legal property cost which is calculated on a fixed rate per conversion.				
Local authorities have no choice but to support schools to convert to an academy once they have received an Academy Order.				

Budgeted Outcomes/ Accountability (Focus on Improved performance)				
Local authorities have no choice but to support schools to convert to an academy once they have received an Academy Order.				

Risks & Implications				
Without appropriate resourcing there is a risk that conversions are not supported in a timely manner which can lead to complaints from schools. There is a reputational risk if appropriate resourcing to support academies is not made available.				
Value for Money & Efficiency				

This year a schedule of charges for schools converting to academies has been introduced which will mitigate some of the cost to the Council. This bid builds in a senior lawyer post which will enable legal support to be provided in-house rather than going out externally thereby providing better value for money. It will also enable the Council to build in-house capacity and skills to support conversion work going forward.

Growth Type	Budget Pressures
Title	Demographic Pressures in Adult Social Care
Reference	GRO / HAC 01/ 18-19
Strategic Priority Area	1.3 People access joined-up services when they need them and feel healthier and independent
Lead Member	Cllr. Denise Jones
Directorate	Health, Adults and Community
Service Area	Adult Social Care
Lead Officer	Karen Sugars

Financial Information	Budget Allocation	Growth Bid		
		2017-18 £'000	2018-19 £'000	2019-20 £'000
Employee Costs				
Other Costs	61,590	2,754	2,939	3,499
Income				
Reserves				
Total	61,590	2,754	2,939	3,499

Staffing Impact	2017-18	2018-19	2019-20	2020-21
Employees (FTE)				

Description & Justification

Information should include a brief description of the growth requirement; evidence of numbers; cost drivers; impact on outcomes; reasons such as changes in legislation etc

The growth calculation assumes that increases in population, combined with other demographic factors detailed below will lead to more clients needing social care support for longer. The estimated average rate of growth per client group is different and is influenced by a number of factors such as age, ethnicity, deprivation and other such demographic factors.

Client Group	Total Budget 2017/18	Estimated Growth Rate	Growth Required 2018/19	Total Budget 2018/19	Growth Required 2018/19	Total Budget 2019/20	Growth Required 2020/21	Total Budget 2020/21
	£'k	%	£'k	£'k	£'k	£'k	£'k	£'k
OP	30,190	3.50%	1,057	31,247	1,094	32,341	1,132	33,473
PD	6,984	2.70%	189	7,173	194	7,367	199	7,566
LD	18,583	5.60%	1,041	19,624	1,147	20,771	1,624	22,395
MH	5,833	8.00%	467	6,300	504	6,804	544	7,348
Total	61,590		2,754	64,344	2,939	67,283	3,499	70,782

Predicted population growth in Tower Hamlets will inevitably bring an increase in the number of people who need adult social care services. Tower Hamlets has high levels of deprivation, which in turn is associated with poor mental and physical health. Deprivation levels may be further exacerbated by welfare reform. An increase in the number of people living for longer with poor health is also a factor driving an increase in demand for adult social care across all client groups.

There is likely to be an increased demand for adult social care from all sections of the population as it continues to

expand. Based on the latest GLA projections, the borough's population is expected to grow by 22% between 2016 and 2026, equating to an average annual population growth rate of 2.2%, and a resident population of 364,500 in 2026. By 2021, the population will have increased to 337,600, an annual average growth rate of 3.3%. In absolute terms the projected growth is mainly in the lower working age range (people aged 30 to 49), but over the course of the next decade, the age structure of Tower Hamlets is expected to shift, with the proportion of young adults in their twenties and thirties decreasing and the proportion of older adults increasing.

High levels of deprivation are strongly linked to poor mental and physical health. Tower Hamlets is the 10th most deprived local authority in England out of the 326 local authorities (based on Indices of Multiple Deprivation 2015 data). There is also a link between some learning disabilities and poverty. Possible explanations include poor nutrition and low uptake of screening programmes and antenatal care, which increase the prevalence of learning disabilities. Levels of deprivation may be further worsened by welfare reform changes which are starting to come into effect. It is likely that this may have an impact on demand, due to the evidence that high levels of deprivation are a driver for increased need for social care services.

Trends show that increases in healthy life expectancy have not kept pace with improvements across London or in the improving trend in total life expectancy locally. If the extra years from increased longevity are mostly spent in disability and poor health, there will be an increase in demand for social care across all client groups.

Older people in Tower Hamlets have worse health in many areas compared to England and London averages. In addition, a higher than average proportion of older people in the borough live alone. Older people who live alone are significantly more likely to have a social care need (linked to loneliness and isolation) than those who do not live alone. Survival rates of young people with profound and multiple learning disabilities are improving and this cohort is now coming through to adulthood. Tower Hamlets is a young borough and there is considered to be a higher rate of learning disabilities in the school-age population. Due to a complex set of reasons, there are higher prevalence rates of profound and multiple learning disabilities in children of a Bangladeshi ethnic background. Tower Hamlets has a significant Bangladeshi community.

The Tower Hamlets Mental Health Strategy Needs Assessment lists a number of "risk factors" and "protective factors" in relation to mental health. On some of these, Tower Hamlets has been shown to face a greater challenge than the rest of London (carers, older people, drug and alcohol misuse) but all need attention because of the specific risks they pose to mental health or because all are linked to the high levels of deprivation which exist in the borough.

This bid uses estimated growth rates from the Greater London Authority's Housing-linked Projections and the Department of Health sponsored systems 'Projecting Adult Needs and Service Information' (PANSI) and 'Projecting Older People Population Information' (POPI) Systems. The latter two systems combine population projections with benefits data and research on expected prevalence rates to produce projections of the likely future demand on social care and health services. Projections from POPI and PANSI for previous years have proven to be reasonably accurate and we are satisfied that these are the most robust figures available for calculating projections of future growth in ASC demand.

Budgeted Outcomes/ Accountability (Focus on Improved performance)

Align with the councils strategic priorities; provide performance information data; agreed proposed outcomes and expected improvements in service delivery/ performance

This growth bid relates directly to the Council's priority to have "More people living healthily and independently for longer", and is necessary to ensure the Council can fulfil its statutory duties to residents needing care and support.

Risks & Implications			
Highlight Service/ Corporate associated;			
Older People			
<p>There has been a progressive increase in services provided to older people since 2009/10. Despite the various one off efficiency savings the actual spend on commissioned older people's services has increased by 19.1% over the past five years. Due to the health and demographic factors, demand for adult social care services from older people is predicted to continue to increase between now and 2021. There is a forecasted annual average growth rate of 3.5% until 2021 therefore the growth requirement in 2018/19 for Older People Services is estimated at £1,057k.</p> <p>Home care, which is particularly heavily used by older people in Tower Hamlets, is expected to continue to be under growing pressure over the next 8 years. Separate growth bids cover rising unit costs in home care (related to the introduction of the Ethical Care Charter and the annual uprating of the London Living Wage), but do not include any allowance for rising demand, which is dealt with here.</p>			
Clients with Learning Disabilities			
<p>The Tower Hamlets Joint Strategic Needs Assessment 2015/2016 factsheet: Preparing for adulthood for young people with physical disabilities and/or learning difficulties shows that Tower Hamlets has a younger population than England as a whole. Over the next 5- 10 years the population of Tower Hamlets is predicted to increase. In the 14-25 year old age group, the population is expected to increase by 10.9% by 2020 and 16.9% by 2025¹. This population growth will have an impact on scale of need and demand for all health and social care services including those concerned with transition.</p>			
Young people in transition in Tower Hamlets			
<p>Overall the JSNA shows that in 2015 there were 838 young people in the transition age group. The annual number of young people transitioning from Children to Adults services can be better estimated using service data from the Children With Disabilities team and the Community Learning Disability Service (CLDS) and the Children with Disabilities team. The table below gives an indication of the number of young people identified by children's services as having needs which may be met by Adults services and the number of young people who are assessed and accepted by and the adults CLDS service. The table includes the number of young people supported by Children with Disabilities Team in Children's Social Care, and the number of young people eligible for the Community Learning Disability Service in Adult's Social Care (Table 1).</p>			
Table 1: Annual numbers of young people transitioning from children's to adults services 2011-2014			
	Young people identified by Children's Services a likely to need support as adults		Young people in assessed by adults services
Year	Young people (aged 14 and above) with an allocated social worker in the Children With Disabilities Team	Looked after young people (aged 14 and above) in the Children with Disabilities Team	Young people aged 16-18 assessed eligible for Community Learning Disability Service (CLDS)
2014	79	13	43 eligible and 16 awaiting assessment
2013	86	9	30 assessed 24 eligible
2012	97	10	33 assessed 24 eligible
2011	93	7	46 assessed 41 eligible

Future trends

¹ GLA, Population projections, 2014.

Assuming that the prevalence of learning disability and physical disability remains the same the population of young people in transition could also be predicted to increase by 10.9% increase by 2020 and a 16.9% increase by 2025.

This would mean an estimated 930 young people (aged 14-19) preparing for adulthood by 2020 and 980 young people preparing for adulthood by 2025 (aged 14-19).

Using the year 9 tracking record that CLDS maintain in partnership with special education and Children's Services, an anticipated 35 new referrals are expected in 2017/18; 46 new referrals in 2018/19, and 55 in 2019/20. The average cost of a transition care package is: Lowest £15,000, Middle: £62,000, Highest £125,000+

Using the referral and eligibility data from the above table 1, this indicates that an average of 70-80% of referrals lead to the identification of eligible needs being met. This estimate together with the mid-range cost suggests a gross growth requirement of;

LD Transition Clients	2017-18	2018-19	2019-20	2020-21
New Referrals	35	46	55	66
Eligible (70%-80%)	28	37	38.5	46
Exits	20	20	20	20
Additional demand	8	16.8	18.5	26.2
Growth (at £62k)	£496,000	£1,041,600	£1,147,000	£1,624,400

The recent trend is that children with more complex needs are coming through; increasing the need for complex and specialist care packages in the high cost range and therefore a higher percentage of those referred up to 2020 may be eligible.

Mental Health Clients

Evidence suggests there has been a steady increase in the number of adults who have a mental health problem and who are eligible to receive support from adult social care. Projecting Adult Needs and Services Information (PANSI) has a number of future predictions for mental health prevalence rates amongst working-age adults in Tower Hamlets. This information is categorised according to mental health condition, and does not give an indication as to who might be eligible for adult social care. In addition to this general growth in the number of MH clients there are also particular pressures in Tower Hamlets on the number of mental health forensic placements. The combined effect of this is forecasted to lead to an annual growth requirement of approximately 8%.

Clients with Physical Disability

The causes of physical disabilities and sensory impairments in working-age adults are complex. This information along with predictions on future prevalence rates is not detailed in this report. Evidence suggests there has been a moderate increase in demand in the number of working-age adults who have a physical disability or sensory impairment and who are eligible to receive support from adult social care.

Projecting Adult Needs and Services Information (PANSI) has a number of future predictions for physical disability and sensory impairment prevalence rates amongst working-age adults in Tower Hamlets. This information is categorised according to health condition, and does not give an indication as to who might be eligible for adult social care. The forecast shows an average annual increase of 2.7%, which is likely to lead to a growth requirement of £189k for 2018/19.

Value for Money & Efficiency

Provide justification for VFM & Efficiency

The amounts required for growth is intended to meet the assessed eligible needs of vulnerable individuals and in many instances will pay for homecare, day care, meals, direct payments and residential and nursing care services.

Scrutiny on the quality of assessments and their value for money in legally meeting assessed needs is central to social care operational practice. The identification of needs to be met as a duty must be funded. The eligibility criteria are set nationally via regulations within the Care Act, which has a threshold of significant impact on wellbeing as the benchmark on where the duty is reached. This demand led service is therefore very sensitive to demographic changes and the accompanying assessment practice.

Overall the budget has seen increased unit costs, especially in the Home Care and residential care area which combined with an increase in the number of adults receiving home care, day care and direct payments has resulted in increased budget pressures. The development of extra care sheltered housing (ECSH) as an alternative to residential care, at an average annual cost of £9,676 per service user against £28,600 per residential placement, has been another efficiency driver. Compared to other London authorities, we are a low user of residential care as we seek to offer choice to our service users and focus on them maximising their independence in their community

Growth Type	Budget Pressure
Title	Waste Collection and Treatment
Reference	GRO / PLA 01 / 18-19
Strategic Priority Area	2.1 People live in a borough that is clean and green
Lead Member	Cllr Rachel Blake
Directorate	Place
Service Area	Public Realm
Lead Officer	Roy Ormsby

Financial Information	Budget Allocation	Growth Bid		
	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-21 £'000
Employee Costs				
Other Costs	12,464	324	344	365
Income				
To Reserves				
Total	12,464	324	344	365

Staffing Impact	2017-18	2018-19	2019-20	2020-21
Employees (FTE)				

Description & Justification
Information should include a brief description of the growth requirement; evidence of numbers; cost drivers; impact on outcomes; reasons such as changes in legislation etc
In the 3 year period 2018/19 to 2020/21 waste collection and treatment costs will increase due to growth in the quantity of Municipal Waste brought about by the economic recovery remaining steady along with the anticipated growth in the resident and day time population levels within the borough.
According to GLA 2015 round population projections (SHLAA, Capped household size), the population will rise from 304,000 in 2017 to 374,000 in 2026, with the number of households increasing to 155,391. By 2020, the number of households is estimated to have increased by 3,000.
This bid is addressing the financial shortfall that such growth will create.
The details are set out below:
Growth in Waste Treatment and Disposal Costs
The Council currently has contracts in place for the treatment and disposal of waste and recyclable materials that utilise spare operating capacity at existing waste facilities within and around London. The Council's residual Municipal Waste and Other wastes (organic and healthcare waste) are managed through a contract with Corys, which will run until 2027.
The sorting of the Council's dry recyclable material is managed under a separate contract which is operated by Bywaters (Leyton) Ltd which will run until March 2019.
A number of assumptions have been made in calculating the funding required. These are :
<ul style="list-style-type: none"> • that the calculated growth is based on the actual tonnages in 2016/17 and will continue to grow in line with the GLA SHLAA household projection rate, • that it is known that the markets for recyclable materials have remained depressed and that Local Authorities will continue to be charged a processing fee for dry recyclable materials, • that the gate fee price for processing the Council's dry recycling will increase in line with current market conditions.

Growth Calculation:

The calculations are based on charges levied on a unit rate basis per tonne of waste treated or disposed of. The current waste disposal contract is due to expire in 2027 and the unit rate per tonne of waste treated that will be levied for the years 2018/19 to 2020/21 are therefore unknown. The current cost per tonne is £79.50 for municipal residual waste and the current CPI indexation of 2.9% has been applied each year to calculate the rate for 2018/19 onwards.

As part of the re-procurement process for the waste disposal contract, future growth in waste tonnages has been calculated. This has been worked out using the GLA SLHAA household projections and has been used to calculate cost of growth required.

Municipal Residual Waste:

The estimated tonnage of residual waste in 2017/18 is 103,539 tonnes

Year	Estimated Residual Waste Growth (Tonnes)	Cost per Tonne (£)	Cost of Growth (£)
2018/19	3,417	79.50 – 81.81	£275,572
2019/20	3,530	81.81 – 84.18	£292,921
2020/21	3,646	84.18 – 86.62	£311,363

Dry Recycling:

A new MRF contract started in April 2017 and the gate fee price is dependent on the levels of contamination within each load. The higher the contamination the higher the gate fee. There is a range of levels from one to five with prices from £20.65 to £133.77 per tonne. The estimate is calculated assuming a percentage for each level based on actual load collected in April 2017.

The growth requirement in 2018/19 is assumed on the basis of the amount of recycling being delivered to the MRF increasing in line with the general growth of recycling for 2017/18 @ 3.3%.

The same set of assumptions have been used to estimate the growth requirement for 2019/20 and 2020/21 with the addition of a gate fee price increase capped at 2% per year

Year	Additional Tonnage	Cost per Tonne (£)	Cost of Growth (£)
2018/19 (includes 3.3% waste growth)	426 tonnes	Range from £20.65 to £133.77 per tonne	£31,340
2019/20 (includes 3.3% waste growth)	441 tonnes	Range from £21.25 to £137.65 per tonne	£33,069
2020/21 (includes 3.3% waste growth)	455 tonnes	Range from £21.86 to £141.64 per tonne	£34,818

Other Wastes (Organic wastes and healthcare waste):

Year	Tonnage (combined, difference)	Cost per Tonne (£)	Cost of Growth (£)
2018/19	172	Various rates apply	£17,288
2019/20	177	Various rates apply	£18,485
2020/21	182	Various rates apply	£19,123

The growth in Other Waste types have been taken from the workings used for the re-procurement of the new waste disposal contract. The charge for the disposal and treatment of these waste types varies. A 2.9% indexation rate rise has been applied to the gate fee prices each year based on the 2017/18 prices.

Budgeted Outcomes/ Accountability (Focus on Improved performance)

Align with the councils strategic priorities; provide performance information data; agreed proposed outcomes and expected improvements in service delivery/ performance

Risks & Implications

Highlight Service/ Corporate associated;

The Council has a statutory obligation to treat and dispose of the Municipal Waste that is generated within the borough and the quantity of Municipal Waste will increase year on year with the growth in the number of housing units and associated population increase and projected increases in economic performance. Because the services for waste treatment and disposal are charged for on a per tonne basis the cost associated with the growth in the quantity of Municipal Waste is inescapable.

There are a number of variables that could have an impact on the waste treatment and disposal budget:

- economic recovery increases the average amount of waste produced per property.,
- the percentage of non-conforming loads and contaminated material increases and we are charged at a higher processing rate.

The bid for 2018/19 to 2020/21 is based on the retendered waste contract which commenced during 2017.

The directorate has developed a model to track the borough's waste tonnage and the waste disposal cost projections to provide insight in the potential pressure on financial provision and future demand for the services. The projections show that there has been a steady increase in the amount of waste produced per household as the economy recovered from the recession in 2008. It is expected this waste growth to level out to reach a plateau. However, the level of this plateau is currently unknown and the Borough will experience increasing pressure on its waste services as the population increases. The projections are continually reviewed and reassessed to inform the budgets and the Medium Term Financial Strategy process.

Value for Money & Efficiency

Provide justification for VFM & Efficiency

The Council has made significant strides in mitigating the costs of waste treatment and disposal by maintaining levels of diversion from landfill disposal to other forms of waste treatment and reducing exposure to the increases in Landfill Tax with the cost per tonne.

In addition, the Council's contracts for waste treatment and disposal services have recently been procured through open competition under OJEU using a Competitive Dialogue process which has secured competitive gate fee prices.

Growth Type	Budget Pressures
Title	Freedom Pass
Reference	GRO / PLA 02 / 18-19
Strategic Priority Area	2.1 People live in a borough that is clean and green
Lead Member	Cllr Amina Ali
Directorate	Place
Service Area	Public Realm
Lead Officer	Roy Ormsby

Financial Information	Budget Allocation	Growth Bid		
		2017-18 £'000	2018-19 £'000	2019-20 £'000
Employee Costs				
Other Costs	9,034	13	365	379
Income				
Reserves				
Total	9,034	13	365	379

Staffing Impact	2017-18	2018-19	2019-20	2020-21
Employees (FTE)				

Description & Justification				
The Freedom Pass scheme provides free travel on public transport for pass holders over 60 and registered as disabled throughout London. The scheme is administered by London Councils and decisions on apportioning the costs of the scheme between boroughs are made by Members of London Councils' Transport & Environment Committee.				
London Councils manage the negotiation of the Freedom Pass settlement with TfL and the allocation process between all the London Boroughs of their respective budget contributions to TfL. The methodology for this is as follows :-				
<ol style="list-style-type: none"> 1. TfL state the overall Freedom Pass cost for London 2. London Councils receive a DfT grant towards Freedom Passes (about 11% of total cost) 3. The DfT grant is then deducted from the total cost to calculate the cost payable by Boroughs towards the scheme. 				
London Councils has in the past apportioned the deficit to boroughs based on usage data (bus and underground) in proportion to Relative Needs Formula.				
In December 2013 London Councils' Transport & Environment Committee revised the method of apportionment to move away from the 'Relative Needs Formula' to one based wholly on usage. The method remains in place for the future calculation of the apportionment of the scheme between boroughs. The decision on the size of the deficit to be apportioned to boroughs is usually taken at the December meeting of the London Councils' Transport & Environment Committee. Following this the bid will then be updated to reflect the decision.				

Budgeted Outcomes/ Accountability (Focus on Improved performance)				
The schedule produced by London Councils has been re-based to show the contribution required by LBTH in 2018/19. The assumptions made for the growth figure for 2019/20 is based firstly on the anticipation that there will not be a reduction to the overall payments made by London boroughs in 2018/19 of £346,594 million. Secondly no significant use of reserves planned by London Councils to reduce the costs in future years and thirdly no major changes in usage. The 2018/19 settlement has been approved at the London Councils Leaders' Committee in the Autumn 2017. Updated schedules have been circulated to boroughs confirming the impact for each individual authority.				

Growth Calculation:

Assumptions:

- Inflation added to borough contribution in line with RPI (July 2017)
- The council's proportion of the allocation of cost remains unchanged at 2.61%.
- London Councils settlement was agreed in December 2017 for 2018/19.

Inflation	YEAR	BORO CONTRIBUTION £'000	LBTH % of Total	LBTH £'000	GROWTH £'000
0.46%	2018/19	346,594	2.61%	9,046	13
3.9%	2019/20	358,242	2.61%	9,399	365
3.9%	2020/21	365,049	2.61%	9,765	379

NOTE:

1. TFL settlement does not include the cost of the am journeys
2. Bus, Tram, Underground and DLR costs are apportioned by respective usage.
3. London Overground and National Rail costs are apportioned as 70% by the respective usage and 30% by the proportion of previous year's Formula Funding.
4. Non TFL buses and reissue elements are apportioned by proportion of the previous year's Formula Funding allocated to boroughs (as calculated by Central Government)

There is an admin fee also charged by London Councils' for managing the Freedom Pass operation for 2018/19.

Calculations are based on the schedule of contributions provided by London Councils which reflect the factors highlighted in the section below.

Risks & Implications

The Council is bound to pay a contribution to the Freedom Pass scheme and may not legally withdraw from the scheme. The apportionment methodology is determined by the Boroughs working through London Councils.

The settlement is usually confirmed annually in December which provides the information on what the Authority's annual contribution will be based on for the next year. The figures provided for, in this growth bid for future years reflect the same assumptions as per the current regime, this will be subject to change once further information is available from London Councils

Other work currently being undertaken on demographic and social changes within the Borough indicate that the Authority has an increasing population which may mean an increased demand for freedom passes. It should be noted therefore that further re-basing exercises undertaken by London Councils moving away from RNF to usage could mean that the Authority's contributions will again rise (comparative to other local authorities) in future

Value for Money & Efficiency

The Authority has no individual control over the amount of money levied upon it to fund the Freedom Pass scheme. Arguably the Freedom Pass scheme represents value for money in offering enhanced mobility to traditionally less mobile members of the community and enhances sustainable travel by encouraging the use of public transport.

Growth Type	Budget Pressures
Title	Food Safety Officers
Reference	GRO / PLA 03 / 18-19
Strategic Priority Area	2.1 People live in a borough that is clean and green
Lead Member	Cllr Amina Ali
Directorate	Place
Service Area	Environmental Health and Trading Standards
Lead Officer	David Tolley

Financial Information	Budget Allocation	Growth Bid		
		2017-18 £'000	2018-19 £'000	2019-20 £'000
Employee Costs	549	90	(90)	
Other Costs	144	10	(10)	
Income	(52)			
Reserves				
Total	641	100	(100)	

Staffing Impact	2017-18	2018-19	2019-20	2020-21
Employees (FTE)	9	2		

Description & Justification	
Information should include a brief description of the growth requirement; evidence of numbers; cost drivers; impact on outcomes; reasons such as changes in legislation etc	
This is a request for an additional Food Safety Officer to work within the Food Team. The team currently has 9 staff, the annual Food Safety Enforcement Plan, which is an annual report that needs to be signed off by Cabinet identified a shortfall of 3.5 FTE. The proposal provides for a revaluation of service needs and requirements in 2018/19.	
This gap in provision has been the result of the increase in food premises over the year, the demand for inspections to review food hygiene rating scores achieved by businesses and the increase in service requests.	
The service has been managing this shortfall over the years, but the gap has become wider due to extra demands and there are only so many low risk activities that we can stop doing.	
If the Authority fails to deliver a comprehensive Service, the Food Safety function can be taken from the Authority and given to the Food Standards Agency – whereby we will be required to fund an adequate Service. The food function is also under scrutiny via annual returns to the FSA and consumer interest groups publish an annual rating list of local Councils and their performance, we are slipping down this ranking.	

Budgeted Outcomes/ Accountability (Focus on Improved performance)	
Align with the councils strategic priorities; provide performance information data; agreed proposed outcomes and expected improvements in service delivery/ performance	
This request will assist with the demand that is placed on the Team and will ensure that performance is above where remedial action may need to be taken.	

Risks & Implications

Highlight Service/ Corporate associated;

The council could have the Service taken way from its control and highlighted as poor performing

Value for Money & Efficiency

Provide justification for VFM & Efficiency

Each extra staffing resource will ensure that public health risks are minimised and that performance levels are satisfactory to the monitoring agency.

Growth Type	Budget Pressure
Title	Public Realm Contracts Retender
Reference	GRO / PLA 04 / 18-19
Strategic Priority Area	2.1 People live in a borough that is clean and green
Lead Member	Cllr Rachel Blake
Directorate	Place
Service Area	Public Realm
Lead Officer	Roy Ormsby

Financial Information	Budget Allocation	Growth Bid		
		2017-18 £'000	2018-19 £'000	2019-20 £'000
Employee Costs		240		(110)
Other Costs		210	(160)	
Income				
To Reserves				
Total		450	(160)	(110)

Staffing Impact	2017-18	2018-19	2019-20	2020-21
Employees (FTE)		3.5	3.5	1.5

Description & Justification
The bid is the growth required to fund the procurement project arrangements that will be needed to deliver both the Waste contracts and Highways.
The costs of the projects cannot be met from within the existing budget resources. The total growth provision is indicative and will need to be reviewed to ensure sufficient resources from reserves are in place to support the size and scale of each of the procurement processes.
Waste The procurement process for the waste contracts includes refuse collection, recycling collections, street cleansing and associated services. The value of the current contracts is in the region of £19 million per annum. The existing contracts will expire in March 2020. A procurement project has been set up to facilitate the retender process and to ensure that the new contracts will be in place so that service delivery is not impacted.
The level of involvement and expectations, from the process, will require a dedicated team which will be drawn from the existing Waste Services staff with backfilling arrangements put in place, as well as the need for additional Legal, Procurement, Commercial and Finance support for the project.
Highways The procurement process for the Highways contracts includes Highways Maintenance, Highways Capital, Street Lighting maintenance and Street Lighting Capital. The value of the current contracts is in the region of £13 million per annum. The existing contracts will expire in September 2019. A procurement project will need to be set up to facilitate the retender process and to ensure that the new contracts will be in place so that service delivery is not impacted.
Due to the specialist nature, it is proposed to employ 2 contracts specialist to facilitate and deliver the project. It is assumed internal Legal, Procurement and Finance will support the delivery.

Budgeted Outcomes/ Accountability (Focus on Improved performance)

Achieving an optimal outcome will necessitate the use of dedicated and appropriately skilled Council staff and other resources to undertake process and service reviews, benchmarking activities and identify areas of best practice that are transferable to Tower Hamlets, reviewing current policy, developing new policy and actions plans that will deliver change and ultimately drafting Service Specifications that will formulate the basis of the new contracts. To put this into perspective, should there be as little as a 1% deviation from the optimal service standards and specifications for the long term services the outcome could see an additional £2.2M (at today's costs) added to the overall cost of the services over the life of the contracts.

Risks & Implications

Highlight Service/ Corporate associated;

If funding is not approved it will not be possible to deliver a quality procurement process for the complex and high value services. The need to ensure that delivery of contracts with a tender value of circa £19m per annum for a minimum of eight years (£152m over the life of the contract) for the Waste Service and £13m per annum for a minimum of five years (£65m over the life of the contract) for the Highways Service have substantial financial implications to the council. Not to mention the continuation of service delivery at the end of the current contracts.

Value for Money & Efficiency

The cost of the procurement project of £2.2m is representative of 1% of the life value of the contracts. The procurement process is also expected to deliver a level of savings, whilst improving on service delivery and meeting the council's Waste/Recycling aspirational targets.

Growth Type	Budget Pressures
Title	Local Plan to 2018 Delivery Package
Reference	GRO / PLA 05 / 18-19
Strategic Priority Area	2.1 People live in a borough that is clean and green
Lead Member	Councillor Rachel Blake
Directorate	Place
Service Area	Planning & Building Control
Lead Officer	Owen Whalley

Financial Information	Budget Allocation	Growth Bid		
	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-21 £'000
Employee Costs	288	288		(288)
Other Costs	2	2		(2)
Income				
Reserves				
Total	290	290		(290)

Staffing Impact	2017-18	2018-19	2019-20	2020-21
Employees (FTE)	5.1	5.1		

Description & Justification
A new Statutory Local Plan is only required every 5 to 6 years as the older plan becomes out of date and ineffective in managing development pressures and securing the best outcome for the borough. It takes around 2/3 years to prepare a new Plan and this was identified as a priority of the most recent Mayoral administration. The current structure and resource capacity of the Strategic Planning section is not staffed in business as usual state at a high level to absorb this responsibility, so the approach has always been to supplement it at the relevant time.
To enable us to progress this Local Plan process a Local Plan Place (LPP) Project team was created and has been supported over the last 12 months with funding from Planning & Building Control reserves. As this is no longer an option this growth bid is seeking support to continue the funding of the team, through the final stages of the lengthy process to ensure that the Council's new Local Plan can be delivered to Adoption by Full Council later in 2018/19.
The team includes the following roles:
<p>LPP Team Leader</p> <p>LPP Principal Urban Design Officer</p> <p>LPP Strategic Transport Planning Officer</p> <p>LPP Growth Monitoring Officer</p> <p>LPP Neighbourhood Planning Officer (.6)</p> <p>LPP Engagement and Communication Officer (.5)</p>
This project team has been focussed on place based aspects of the plan, including relevant policy development, area masterplanning, strategic site allocations, site development capacity and options assessment, transport and infrastructure impacts and community engagement in these matters. Essential areas of work that lacked permanent resource at a level to deliver the new Plan.
This final stage has two main parts which involves:
<ul style="list-style-type: none"> - Supporting and delivering the Plan through a detailed Examination in Public, with a Government appointed examiner. There may be some additional challenges coming from that and it is worth bearing in mind that in the past, within London certainly, LBTH's Public Examination is usually the most detailed, challenging and well

attended. The development industry are careful at this stage to take every opportunity to test and scrutinise everything we do. Policies can stand or fall on this basis. We are always at the forefront of tackling issues within policy that relate to deliverability, pushing our priorities which do not always coincide with those of the market such as affordable housing provision for local people. It is at this stage that policy is properly tested.

- The Plan then needs to progress through to Adoption at Full Council. This likely to be later in 2018/19.

To ensure we have a section that is able to do this and focus on producing a plan, with all the evidence required to enable us to be as robust as possible we need the additional resources of the Local Plan Place Project Team.

The Local Plan is our statutory planning policy document. The policies in this document set the vision, objectives and policy direction for how we as an authority want to see Tower Hamlets be developed. Its policies are targeted at leading, managing and delivering substantial growth and if kept up-to-date have a better chance of creating and maintaining a vibrant and successful place including improved place making and all the benefits from developments that enable the Council to:

- provide more housing and especially affordable and affordable family housing for residents;
- secure funding and space for infrastructure such as schools, health facilities, transport, public realm and open spaces;
- secure resources to support and maintain a wide range of other often locally led initiatives;
- provide funding and support to deliver economic development, employment and training initiatives;

As our growth levels are the highest in London, our housing target is the largest and our record of delivery is improving we need an ambitious and robust plan in place as quickly as we can. This project team provides the additional capacity the Strategic Planning section and the service needs to complete this task and present the best plan possible at this time.

Budgeted Outcomes/ Accountability (Focus on Improved performance)

The wider Strategic Planning function has prioritised the delivery of a new local plan in line with the Strategic Plan objectives and milestones as shown below:

- *Priority Outcome 2: Creating and maintaining a vibrant and successful place*
- *4. Manage development pressure through the preparation of a new Local Plan and provide effective local infrastructure, services and facilities*
- *Complete key stages in the proposed regulation 19 submission Local Plan*

Owen Whalley (PLACE) 31/07/17

The Local Plan Place project team has been focussed on delivering against this 17/18 Strategic Plan Priority Outcome. The key stage has been delivered in 17/18 but the process continues into 18/19 (as will this process of preparing a new Local Plan).

The Local Plan Place project team is needed to ensure that the Strategic Planning function delivers this outcome in 2018/19 and provides the framework to secure all the associated benefits for the Council from having an up-to-date Local Plan.

Risks & Implications

The Directorate and the Divisional Risk Registers identify:

Risk 1: Too much of the wrong development in the wrong place without infrastructure. Risk Category: Resources
One of the Main control measures is: Produce a new Local Plan.

The Implications of not actively mitigating this risk include:

- Reduced affordable housing
- Reduced benefits for the local community

- Increased costs for the Council in fighting and losing appeals
- Poor place-shaping, neighbourhoods not functioning
- Reduced New Homes Bonus and other funding such as council tax and business rates if development is delayed/deterred
- Poorer designed buildings approved
- Reputational damage and special measures on appeal decisions
- Social cohesion and unrest issues emerge

Value for Money & Efficiency

There is no base budget for this specific project team. Once the Local Plan Place team has completed its input into the Local Plan process the team is disbanded, as a project team and the need for the resources identified in this bid discontinued. This is anticipated to be fully completed by end of 2018/19.

As the production of an up-to-date Local Plan is a statutory requirement, in the past the Division has utilised reserves in a structured way and created a fund that builds over a time period to enable it to fund, when required, the additional costs of the plan-making process. It is a significant commitment and requires additional technical staff, a sustained and detailed period of evidence base gathering and an extensive period of public consultation, amendment and formal challenge periods through to adoption at Full Council. The process can take 2-3 years and is, in a growing Borough, needed every 4/5 years to remain up-to-date.

To this end the Division recommends resources are continued to be assigned as a contribution from any surplus, generating each year towards future plan-making processes, this way prudently allotting resources over time to cover a known cost parameter in the future.

Growth Type	Budget Pressures
Title	Heritage Collections Backlog
Reference	GRO / RES 01 / 18-19
Strategic Priority Area	1.4 Inequality is reduced and people live in a cohesive community
Lead Member	Cllr David Edgar
Directorate	Resources
Service Area	Idea Store
Lead Officer	Tamsin Bookey, Heritage Manager

Financial Information	Budget Allocation	Growth Bid		
		2017-18 £'000	2018-19 £'000	2019-20 £'000
Employee Costs	257	103		
Other Costs	21	12		
Income				
Reserves				
Total	278	115		

Staffing Impact	2017-18	2018-19	2019-20	2020-21
Employees (FTE)	6	9		

Description & Justification
Tower Hamlets Local History Library & Archives has been collecting archives and providing free public access to them since 1965, with an archivist first appointed in the early 1980s. The library inherited (and has since has been adding to) extensive collections of historic materials requiring permanent preservation – the largest quantity being records transferred from the local authority itself which it has a statutory function to maintain.
The collections are typically acquired more quickly than they can be processed by staff (ie catalogued onto an online searchable database, repackaged in acid-free boxes, and made available to the public for research). This is due to a combination of factors: longterm under-resourcing requiring c.60% of staff capacity to be spent on customer service rather than back-office collections management tasks; plus a storage facility which is outdated and became full in 2005. A feasibility study has been commissioned to address the capital requirements – these are not in scope of this growth bid.
An Internal Audit report of March 2017 gave the library <u>Limited Assurance</u> due principally to the inadequate storage facilities for collections and the extensive cataloguing backlog which dates to the 1980s. It is estimated that approx. 50% of the collections stored are uncatalogued and therefore not accessible, whether by the public or LBTH officers or Members researching legacy issues.
Following this audit, submission of a growth bid for fixed-term staff to tackle the cataloguing backlog was cited as a management action and was sanctioned by Audit Committee at its meeting of 29/9/17. There are three strands to the growth bid proposal:
<ol style="list-style-type: none"> 1) We seek to recruit one full-time archivist (SO1) fixed-term for three years who would have no other duties except for cataloguing. They would recruit and manage volunteers to assist them. The table below shows how we have quantified the cataloguing time required to clear the backlog:

	Deriving from LBTH	Deriving from other sources*
Uncatalogued collections	c. 200	c.285
Total number of files	16,410	9858
Average cataloguing rate (files per month per person)	250	250
Total number of months required	66	40

*This category includes archives deposited by former Councillors and Mayors of Tower Hamlets.

So, one cataloguer for 3 years (36 months) should clear 34% of the backlog. Collections would be prioritised for cataloguing based on their perceived usefulness to researchers. There are two core-funded archivists on the staff who will be cataloguing during this period too. If they can be freed up entirely from all other duties (see below), according to the calculations above 100% of the backlog should be cleared. However it should be noted that the library will continue to accrue new collections, so the backlog extent is never fixed. The relocation from Mulberry Place to the new Civic Centre will likely generate a large bulk of LBTH deposits as offices are cleared.

- 2) We therefore also seek to fund two additional full-time permanent members of staff – one Heritage Assistant (Sc 6) - to work exclusively on public enquiry duty, and one annual Heritage Traineeship (Sc 5) who would work towards a Level 5 Diploma in Cultural Heritage, focussing on cataloguing as well as customer service. The creation of these cheaper posts would enable the core-funded archivists to focus on cataloguing during this three year period (and going forward), and would mitigate against the likelihood of the backlog building up again in future.
- 3) We also seek to acquire a conservation budget of £12k pa ex VAT, so as to fund the ongoing purchase of acid-free folders, boxes, tape and so on, into which deposited collections can be repackaged. There has never been a specific budget formally identified for this core archival function, and procurement is currently done on an ad hoc basis.

Budgeted Outcomes/ Accountability (Focus on Improved performance)

When residents engage with the heritage of Tower Hamlets using the unique, primary sources held at the library, whether through individual research, a group visit or an exhibition, many different strategic priorities are met, the key ones being "Creating and maintaining a vibrant and successful place" AND "Respect, value and celebrate our cultural history and diversity". It has been documented by studies in the archival education sector that employability, educational attainment, mental and emotional wellbeing and developing a sense of belonging – which of course leads to greater community cohesion - are boosted by engaging, even informally, with the history of one's neighbourhood, ancestral roots, and affiliated community or ethnic group.

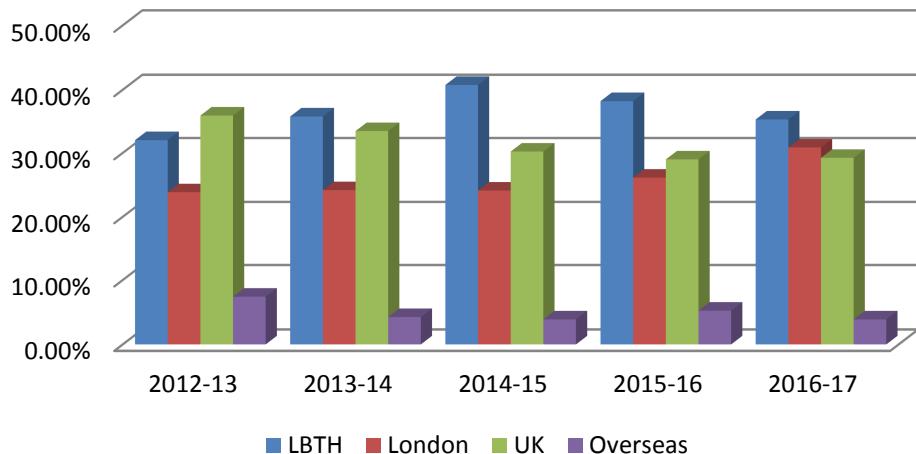
If the documents currently obscured in the cataloguing backlog can be revealed and made publicly accessible, this will in turn lead to substantially more research visits by residents and other members of the public. It will also provide additional materials for use during the school and community workshops and exhibitions that are regularly held. Furthermore, we receive many requests annually from LBTH officers seeking legacy information about the council's actions during the 1980s and 1990s – these would be far more easily met with the relevant council papers catalogued and searchable online.

The annual CIPFA survey of Local Government Archives indicates that our backlog is the one of the largest of all the London boroughs. It should be noted that based on experience to date, external funding for cataloguing records which have been deposited by the parent authority is not available from the Heritage Lottery Fund who consider this to be part of our 'business as usual'. As the council goes about considering the options for expanding the storage facilities onsite at Bancroft Road, or perhaps via a relocation, to have access to and knowledge of the full extent of the collections held will only help build a positive corporate reputation as a council which properly values its principal

heritage asset in a borough world famous for its fascinating history.

The library is a vital resource for Tower Hamlets' heritage tourism offer – a visitor attraction which hosts regular free exhibitions and events on a wide variety of different aspects of East End history, ensuring many repeat visits. The market or audience for East End history is booming – it is a constant inspiration for exhibitions, books, websites, films, tv programmes and daily walking tours, but due to a lack of marketing resource (and arguably its location), the library is not as well-known as it should be. However, despite a relatively low profile, the quality of the service and the offer is extremely well-regarded by all who experience it, with positive feedback and emails of thanks and praise coming in regularly from all over the world. The exhibitions and events held have attracted coverage on ITV and BBC London News in recent years, and visitors travel across the country and from overseas to carry out their own personal research in the reading room, as the chart below shows.

Residence of Reading Room users



The 2016 archive visitor satisfaction survey gave the library a result of 93%, above the national average. These levels of attendance and satisfaction will only improve with the greater resourcing proposed in this bid.

Finally, recruitment to the new annual Heritage Traineeship will be targeted at borough residents wishing to develop a career in the heritage sector. It will support the corporate objective of Improve educational aspiration and attainment especially from low-income families, as the Level 5 qualification does not require an expensive first degree, unlike the Archives & Records Management postgraduate course. A graduate traineeship would exclude many borough residents, so a diploma is felt to be the most appropriate way of ensuring take-up. We will investigate structuring the traineeship so as to be specifically for BAME residents or BAME young people, as it is important, particularly in Tower Hamlets, to ensure the heritage sector has a workforce to reflect the community it serves.

Risks & Implications

Not to fund this project is to neglect a serious management control issue identified by Internal Audit, now addressed by Audit Committee. If this bid is not accepted it is likely that the service offer will have to be redesigned, leading to a significant reduction in opening hours and the offer to the public. In 2008-9 a large public campaign in favour of the preservation of the library service resulted in substantial and widespread outcry against the council by local residents as well as in national media.

The length of the backlog – dating in many cases from the late 1980s – demonstrates that despite the best will and efforts of staff, it is simply not possible to address this issue without additional capacity. Due to the specialist nature of the work as well as data protection legislation, cataloguing is a job for which archivists undertake a postgraduate qualification, and cannot be left to volunteers.

Going forward, the biggest challenge for the continued acquisition of archives by the service is the requirement to develop a digital archive system which will manage recent and contemporary records created and accessed digitally - never printed. Such a system needs to be designed and maintained with the objective of ensuring the *permanent preservation* of its contents, and navigate the risks posed by the rapid pace of technological obsolescence. The two new posts focussed on customer service will ensure that the library's existing core professional staff are freed up to address this important stepchange in due course.

Value for Money & Efficiency

Cataloguing is a one-time-only task – it has a permanent legacy. Reference numbers which are in regular use today were assigned to items during cataloguing that took place fifty years ago or more. Once described, numbered and repackaged, all items catalogued during this project will remain permanently accessible with no further work anticipated.

As mentioned above, the increase in available stock is expected to lead to an increase in usage, but it is very hard to forecast this. Furthermore, the greater the number of visits the library receives, the greater the audience for the sale of items such as digital image scans, history books, reproduction maps, and so on.

This table shows how, though there were fewer onsite visitors to the reading room during the last financial year (as the ceiling in the reading room collapsed and for ten months only a limited service could be offered), there were benefits to diverting staff capacity to collection management. More items were catalogued by staff during this 'downtime', and more income was generated from booksales of duplicate stock.

Totals	April 2015-March 2016	April 2016-March 2017
Number of visits	4041	4017
Number of enquiries	2263	2355
Records added to online catalogue	2967	4445
Productions*	6830	5531
Income generated	£10,268	£11,617

* A production is when someone requests to see an item, and staff locate it on the shelves and produce it for them to look at.

The following performance indicators will be monitored before, during and after to measure impact:

- Number of visits by the public
- Number of records added to catalogue
- Number of productions
- Number of hits on online catalogue
- Income generated

Growth Type	Budget Pressures
Title	Transitional Support to Manage Housing Benefit Admin Grant Reductions
Reference	GRO/ RES 02 / 18-19
Strategic Priority Area	3.0 A focussed and efficient Council co-producing excellent services
Lead Member	Councillor David Edgar
Directorate	Resources
Service Area	Housing Benefit
Lead Officer	Steve Hill

Financial Information	Budget Allocation	Growth Bid		
	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-21 £'000
Employee Costs	4,920			
Other Costs	1,447			
Income	(3,698)	500	(200)	(300)
Reserves				
Total	2,669	500	(200)	(300)

Staffing Impact	2017-18	2018-19	2019-20	2020-21
Employees (FTE)	105	See note below*	See note below*	See note below*

Description & Justification
<p>The Authority has a statutory obligation to administer Housing Benefit (HB).The Government provides Authorities with a Benefits Administration Subsidy Grant, to assist the Authority in the cost of administration of HB claims. The level of award is allocated to each Authority by applying a complex weighting and analysis of caseload. Although caseloads are the most significant driver behind the DWP's allocation of HB Admin Subsidy the impact of the roll out of Universal Credit (UC) will also influence activity levels and trends .</p> <p>Details of Tower Hamlets caseloads in recent years are shown as follows:</p> <p>2014/2015: Benefits caseload - 36,021 2015/2016: Benefits caseload - 35,377 2016/2017: Benefits caseload - 34,403 2017/2018: Current caseload - 32,045 (to end of September 2017)</p> <p>The Benefits Service estimates a shortfall of £500k and £300k for each respective year 2018/19 and 2019/20.</p>

Budgeted Outcomes/ Accountability (Focus on Improved performance)

The Benefits Service will continue to protect the level of subsidy by preventing overpayments (which incur Subsidy loss) and minimising error, whilst processing claims promptly, achieving the best possible outcomes for all our service users. This approach maximises income to the Authority while providing a responsive Benefits service for residents.

The Service is on target to deliver savings of £450k for this year, the Benefits Service has Service reviews planned to deliver savings of £525k p.a. for each of the next two years. A planned analysis of caseload and work being generated by Universal Credit will be undertaken, this will also take into account the roll out of Universal Credit and whether the DWP are meeting their "migration" targets; this work will determine the actual reduction in staffing numbers.

Risks & Implications

Benefits claims must be processed in strict accordance with the Housing Benefit Regulations 2006.

Failure to process Benefits Claims promptly and correctly can result in significant reductions in income through Benefits Subsidy penalties.

For 2016/17 Tower Hamlets Annual Benefits Subsidy claim was £268m. Given the size of the Annual Benefits Subsidy Claim, every effort must be made by the Authority to minimise the risk of delays in processing claims, overpayments and errors in calculations as a result of the penalties and loss of subsidy applied to such errors. In order to achieve this, Benefits Service administration requires adequate resources to remain up to date, well trained and responsive. This expenditure would be categorised as inescapable growth, as ultimately these resulting changes in resources are driven by the DWP and DCLG.

In broad terms the DWP's change in stance on the levels of admin subsidy that will be paid to Local Authorities will be significantly affected by the level of unemployment and impact of UC. Due consideration will also need to be given to the influence of fiscal measures, which will impact on the wider economy in coming months and years.

Recent trends suggest that Benefits caseloads are in decline so it would be practical to allow a transitional period to reform the service sufficiently and allow for the introduction of UC and a Benefit Service which is fit for future purpose and able to respond to future levels of uncertainty and any statutory obligation.

The DWP appears to be assuming a reduction in caseloads and unemployment at this time. It would therefore be prudent to allow for a growth bid of £800k over the next two full financial years considering future requirements.

At this time the service remains on target to deliver £1.5m savings over the next three years.

Value for Money & Efficiency

The growth bid represents the additional burden placed on the General Fund through the recent changes applied to the distribution of Local Authority Housing Benefit Admin Grant.

The Benefits Service is already working on strategic decisions over the coming months and years to ensure the final contribution of the Authority will be kept to a minimum whilst not compromising service delivery and integrity of the Authority's Subsidy claims.

Growth Type	Budget Pressures
Title	Idea Stores Books & Materials Stock Fund
Reference	GRO/ RES 03 / 18-19
Strategic Priority Area	1.4 Inequality is reduced and people live in a cohesive community
Lead Member	David Edgar
Directorate	Resources
Service Area	Idea Store
Lead Officer	

Financial Information	Budget Allocation	Growth Bid		
	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-21 £'000
Employee Costs				
Other Costs	340	80		
Income				
Reserves				
Total	340	80		

Staffing Impact	2017-18	2018-19	2019-20	2020-21
Employees (FTE)				

Description & Justification
Information should include a brief description of the growth requirement; evidence of numbers; cost drivers; impact on outcomes; reasons such as changes in legislation etc
Several years' below average spending on materials has seen a gradual depletion of the range and quality of stock available to local people. The materials fund which in 2008-9 stood at £3.48 per head of population by 2017-18 had reduced to £1.11 per capita. Taking into account book price inflation the stock fund in 2017 will buy 1 book for every 9 residents compared to one for every 3 in 2008.
In the longer term funding for materials will be reviewed as a strong collection of books and other library materials is key to maintaining the high usage of the Idea Stores.
The current bid will be the first step in improving the quality and range of provision and will be concentrated on a specific allowing for measurement of impact. It will be targeted at redressing the weakness in the Idea Store provision of books that support health and healthy lifestyles and will allow Tower Hamlets to deliver, for the first time, the Society of Chief Librarians' Universal Offer on Health.
The bid will allow for the acquisition of the national Reading Well Books on Prescription collections of books for all five Idea Stores and for increased provision of health related books, including healthy eating and fitness.
This increase will be a relatively low cost but highly effective contribution to outcomes across a range of council services in particular 'A healthy and supportive community'
The Reading Well Books on Prescription scheme is delivered by The Reading Agency in partnership with the Society of Chief Librarians as part of the Society of Chief Librarians' Universal Health Offer. It is supported by Arts Council England and Wellcome.
The programme is supported by a wide range of professional health bodies including Public Health England, NHS

England and The Royal College of GPs.

The collections are all endorsed by health experts, as well as people with living with the conditions covered and their relatives and carers. There is potential to work with health professional who are can recommend titles to support their patients. Alternatively people can visit Idea Stores and select the books without an intervention.

There are currently Reading Well available:Reading Well Books on Prescription for common mental health conditions

- Reading Well Books on Prescription for dementia
- Reading Well for young people
- Reading Well for long term conditions
-

National Books on Prescription schemes and other collections of health related books support good health, particularly good mental health.

Budgeted Outcomes/ Accountability (Focus on Improved performance)

Align with the councils strategic priorities; provide performance information data; agreed proposed outcomes and expected improvements in service delivery/ performance

Provision of a high quality and wide ranging library collection means that Idea Stores are able to contribute to a number of the council's strategic priorities. The collection supports the work done elsewhere in Idea Store, including Idea Store Learning, in particular:

'A healthy and supportive community'

Provision of materials on health, including healthy eating, smoking cessation, exercise as well as information on particular conditions and mental health. Growth in the materials fund will enable a refresh of the collection and participation in national 'Books on Prescription' schemes that use books to support the management on long term conditions.

Risks & Implications

Highlight Service/ Corporate associated;

Reading Well Books on Prescription is a national programme. Participation is a commitment required as part of the society of Chief Librarians' Universal Offers for Libraries and is endorsed by the Department of Culture Media and Sport and Arts Council England.

Inability to acquire associated materials would jeopardise Tower Hamlets' ability to participate in this national offer.

Value for Money & Efficiency

Provide justification for VFM & Efficiency

The following performance indicators will be monitored before, during and after to measure impact:

- In house survey of Idea Store Customers
- Number of people during the Public Library User Survey (2018), stating that 'this library has helped me with my health'

Growth Bids - Additional Mayoral Priority Growth

Appendix 3B

Reference	Directorate	New or extension to 2020/21	Title	Strategic Priority Area	Lead Member	2018/19 £'000	2019/20 £'000	2020/21 £'000	TOTAL £'000
MPG/ CHI 01 / 18-19	Children's Services	New	Implementation of the Ethical Care Charter	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Cllr Amy Whitelock-Gibbs	109	-	-	109
MPG/ CHI 02 / 18-19	Children's Services	New	Early Years Provision Victoria Park and St Hilda's Community Centre	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Cllr Amy Whitelock-Gibbs	88	31	31	150
MPG/ CHI 03 / 18-19	Children's Services	Extension to 2020/21	Continuing to provide universal free school meals	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Cllr Amy Whitelock-Gibbs	250	-	2,000	2,250
			Children's Services Total			447	31	2,031	2,509
MPG/ HAC 01 / 18-19	Health, Adults and Community	New	Community Safety, ASB & Crime	2.3 People live in safer neighbourhoods and anti-social behaviour is tackled	Cllr Denise Jones	289	289	289	867
			Health, Adult & Community Total			289	289	289	867
MPG/ PLA 01 / 18-19	Place	New	Enabling Unemployed Parents to Move into Childcare Jobs	1.1 People access a range of education, training, and employment opportunities and feel they share the benefits from growth	Cllr Joshua Peck	450	451	451	1,352
MPG/ PLA 02 / 18-19	Place	New	Watney Market Shop Front for 'Young WorkPath'	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Cllr Joshua Peck	60	60	60	180
MPG/ PLA 03 / 18-19	Place	New	Private Tenants Charter	2.2 People live in good quality and affordable homes and neighbourhoods	Cllr Sirajul Islam	100	-	-	100
MPG/ PLA 04 / 18-19	Place	New	Air Quality Assistant	2.1 People live in a borough that is clean and green	Cllr Rachel Blake	71	50	50	171
MPG/ PLA 05 / 18-19	Place	New	Bursary for Environmental Health Trainees	2.1 People live in a borough that is clean and green	Cllr Amina Ali	30	30	30	90
MPG/ PLA 06 / 18-19	Place	New	ASB & Crime Neighbourhood Management	2.3 People live in safer neighbourhoods and anti-social behaviour is tackled	Cllr Asma Begum	145	200	200	545
			Place Total			856	791	791	2,438
MGRO RES 2-17	Resources	Extension to 2020/21	Tackling Poverty Fund - Tackling poverty in Tower Hamlets by creating a Welfare Support Scheme to support residents	1.3 People access joined-up services when they need them and feel healthier and independent	Cllr David Edgar	-	-	1,667	1,667
			Resources Total					1,667	1,667
			TOTAL			1,592	1,111	4,778	7,481

Growth Type	Mayoral Priority
Title	Implementation of the Ethical Care Charter
Reference	MPG/ CHI 01 / 18-19
Strategic Priority Area	1.2 Children and young people feel they are protected and get the best start in life and realise their potential
Lead Member	Cllr Amy Whitelock-Gibbs
Directorate	Children's Services
Service Area	Children's Social Care
Lead Officer	Sandra Reddie

Financial Information	Budget Allocation	Growth Bid		
		2017-18 £'000	2018-19 £'000	2019-20 £'000
Employee Costs				
Other Costs	311.156	108.934		
Income				
Reserves				
Capital				
HRA				
Total	311.156	108.934		

Staffing Impact	2017-18	2018-19	2019-20	2020-21
Employees (FTE)				

Description & Justification	
Recurring growth bid for £108.934k from the Mayoral Priority fund for the Implementation of the Ethical Care Charter-description and rationale as indicated below	
The Council recently tendered its personal care services for children with a disability and adult domiciliary care through a number of framework agreements with external care providers. The Mayor signed up to the Ethical Care Charter which requires external providers to sign up to a number of requirements associated with the Charter.	
All of our commissioned external providers previously adhered to one or more of the requirements at each stage of the Charter:	
<ul style="list-style-type: none"> • Commissioning of visits to customers is determined by their needs and not minutes or tasks; • 15 minute calls are not used routinely; • Visits will not be scheduled so that homecare workers are forced to rush; • Statutory sick pay will be paid to those eligible. • Customers will be allocated the same homecare worker where possible • Zero hours contracts will not replace permanent contracts • Providers have a procedure to follow-up concerns about customer wellbeing • Homecare workers will be regularly trained • All homecare workers will be paid at least the living wage; • All homecare workers will be covered by an occupational sick pay scheme 	
Stage 1 also requires that homecare workers will be paid for their travel time and travel costs. Stage 2 requires that training time and time for homecare workers to meet regularly (such as at team meetings) should be provided in work time and at no cost to the worker. Not all of our providers are signed up to these requirements and the cost to the	

provider in doing so has been passed on to us as commissioners.

Cost Implications:

Currently, we commission 1,700 hours of personal care from our external providers per month. We have two providers on the Children's Personal Care Framework and prices increased as a result of the requirement of providers to adhere to the requirements of the Ethical Care Charter, in particular relating to travel costs. Based on current spend we anticipate the increase in spend will be in the region of £64,650

Provider 1 – costs increased from £15.20 to £19.15 per hour. £19.15 x 1,500 hours per month x 12 is £344,700. Previously was £273,600 = a difference of £71,100.

Provider 2 - increased in costs of previous provider from £13.25 to £15.50 x 200 hours per week. £37,200 per annum. Previously £31,800 = a difference of £5,400.

Total difference = £76,500

We are also expecting an increase in demand for services and have factored in a 10% annual increase to account for this. The requested growth bid is therefore £108,934.

Budgeted Outcomes/ Accountability (Focus on Improved performance)

Align with the councils strategic priorities; provide performance information data; agreed proposed outcomes and expected improvements in service delivery/ performance

- Ensure Local authority's statutory obligations under the Children Act 1989 to provide services for children and young people with a disability
- Ensure Local Authority is compliant and prepared for SEND inspections which are imminent
- Ensure children with disabilities have equal opportunities to enjoy and achieve as their non-disabled peers

Risks & Implications

Highlight Service/ Corporate associated;

- Ability to be able to meet our statutory duty to support children and young people with SEND.
- Risk of challenge as a result of the above.

Value for Money & Efficiency

There was a robust tender exercise for the provision of personal care for disabled children which included bidders demonstrating they were able to meet the requirements of the Ethical Care Charter and also that they would offer value for money for the services provided. The preferred providers were selected on this basis.

Growth Type	Mayoral Priority
Title	Early Years Provision Victoria Park and St Hilda's Community Centre
Reference	MPG / CHI 002 / 18-19
Strategic Priority Area	1.2 Children and Young people feel they are protected and get the best start in life and realise their potential
Lead Member	Amy Whitelock Gibbs
Directorate	Children's Services
Service Area	Education and Partnerships
Lead Officer	Christine McInnes

Financial Information	Budget Allocation	Growth Bid		
		2017-18 £'000	2018-19 £'000	2019-20 £'000
Employee Costs				
Other Costs		88	31	31
Income				
To Reserves				
Capital		50*		
HRA				
Total		138*	31	31

*The site needs to be refurbished to comply with DDA requirements. It also needs a new kitchen. The costs are yet to be finalised although the £50K quoted is an estimate of the potential capital investment required based on previous work commissioned.

Staffing Impact	2017-18	2018-19	2019-20	2020-21
Employees (FTE)				

Description & Justification

This growth bid is for an adjustment to the budget for 3 consecutive years

At the Cabinet meeting on 10 January 2017, the Mayor announced additional funding for early years' services to enable commissioning to support the children's centre offer. This enabled early years' services be supported, including those offered from St. Hilda's and Victoria Park. We anticipate that early years' services at Victoria Park (associated with Overland Children's Centre) and St. Hilda's (associated with Mowlem Children's Centre) will continue on the basis of this bid.

Continuation of services at Victoria Park will require some refurbishment / development works to make the building suitable for the delivery of early years' provision. This is likely to require a temporary suspension of service to allow works to proceed.

The St Hilda's site and service offer is extremely popular with local families. This is because the nearest children's centre, Mowlem Children's Centre, is a 20min bus journey away. The loss of services from this outreach site would result in a significant drop in the overall reach of Mowlem Children's Centre.

Residents would welcome the continued provision of services from the Victoria Park site as they are concerned that early years' services will cease once the site at Olga is up and running. To continue to run services from Victoria Park and St Hilda's, additional resources would be required as outlined in this growth bid.

Budgeted Outcomes/ Accountability (Focus on Improved performance)

Align with the councils strategic priorities; provide performance information data; agreed proposed outcomes and expected improvements in service delivery/ performance

The additional service would meet the LA strategic objectives:

1. Children get the best start in life and young people realise their potential
2. Gaps in inequality have reduced and diversity is embraced

The Victoria Park site provides additional services for families, on the border with LB Hackney. This brings the challenge of ensuring that the families who use services are from LBTH.

April-October

Total Number unique families using Victoria Park	349
Total number of unique families from Hackney	45
Total number of unique families from Tower Hamlets	304

St. Hilda's Site - April-October

	Adult Reach	Adult Volume	Child Reach	Child Volume
Number of individuals	162	487	183	647

Risks & Implications

Highlight Service/ Corporate associated;

Victoria Park Site -

The risk associated would be that potentially 304 families, from Tower Hamlets would not engage in the new site at Olga which is approximately 10mins walking distance from Victoria Park. This is a low risk as the new site has new facilities and increased capacity for each session (to up to 30 people at any one time). This will mean that more services for a greater number of families will be provided.

St. Hilda's Site –

The risk is that we would lose the engagement of 183 children and 162 parents, resulting in our early identification work from Mowlem becoming more difficult.

Value for Money & Efficiency

Provide justification for VFM & Efficiency

Provision at these sites will ensure that families who might not otherwise engage with early education or take up early help are able to engage with these services. We are aware that should families not take up help early, problems can easily escalate becoming more serious, more difficult to address and more expensive. Research indicates that for every £1 of early intervention 0-4, £8 is saved in relation to more specialist services required at a later point.

Growth Type	Mayoral Priority
Title	Continuing to provide universal free school meals
Reference	MPG/ CHI 03 / 18-19
Strategic Priority Area	1.2 Children and young people feel they are protected and get the best start in life and realise their potential
Lead Member	Amy Whitelock-Gibb
Directorate	Children's Directorate
Service Area	Youth and Commissioning
Lead Officer	Ronke Martins-Taylor

Financial Information	Budget Allocation	Growth Bid		
		2017-18 £'000	2018-19 £'000	2019-20 £'000
Employee Costs				
Other Costs		250		2,000
Income				
To Reserves				
Capital				
HRA				
Total		250		2,000

Staffing Impact	2017-18	2018-19	2019-20	2020-21
Employees (FTE)	N/a	N/a	N/a	N/a

Description & Justification

It is a continued Mayoral priority to provide universal free school meals to primary school age children. Sums of £2m per year for 2018-19 and 2019-20 were approved in February 2017 as part of the budget process and are included in the Council MTFs. This bid supports continuation of the offer and sets aside a further £2m in 2020-21.

In addition to this, the current Mayor's Free School Meal arrangements reimburse Primary Schools at a rate of £2.30 per meal. For 2018/19 a price increase has been proposed which will see the price of a Primary School meal increase as set out in the table below:

Proposed 2018/19 prices	Primary school meal price
The price per meal that the school is invoiced at	£2.45

It is possible that Primary Schools could pass this price increase to parents thus negating the Mayoral Free School Meal programme. This growth bid will cover the 15p per meal price increase, over and above £2.30, and will enable the Mayor to continue to provide his free school meals programme.

The growth bid for 2018/19 will cover the period April 2018 to August 2018 which will enable the Mayor and Primary School representatives' sufficient time to come to some agreement about future school price increases.

Budgeted Outcomes/ Accountability (Focus on Improved performance)**Priority - More people living healthily and independently for longer:**

- Free school meals are associated with improved education, social and health benefits,
- There is a take up of 96% in of the Mayor's Free School Meal programme in all relevant schools
- Reduction in childhood obesity as children have access to a nutritious, healthy school meal

Risks & Implications

- If the proposed price increase to the Mayor's Free School Meal programme is not covered by this growth bid then there is a risk that schools will charge parents for school meals potentially negating the programme.

Value for Money & Efficiency

- This growth bid represents value for money given the continued provision of the Mayor's Free School Meal programme.

Growth Type	Mayoral Priority
Title	Community Safety, ASB & Crime
Reference	MPG / HAC 01 / 18-19
Strategic Priority Area	2.3 People live in safer neighbourhoods and anti-social behaviour is tackled
Lead Member	Cllr Asma Begum
Directorate	Health Adults & Communities
Service Area	Community Safety
Lead Officer	Ann Corbett

Financial Information	Budget Allocation	Growth Bid		
		2017-18 £'000	2018-19 £'000	2019-20 £'000
Employee Costs		261.757	261.757	261.757
Other Costs		75	27.5	27.5
Income				
To Reserves				
Capital				
HRA				
Total		289.257	289.257	289.257

Staffing Impact	2017-18	2018-19	2019-20	2020-21
Employees (FTE)		5	5	5

Description & Justification

This investment aims to address community concerns relating to community safety, including acid attacks, drugs and gangs, ensure that we are appropriately resourced to fulfil our duties to Protect under the national CONTEST Strategy, tackle crime and ASB and serious organised crime in the borough. This will also allow us to move to "future proof" the Borough against the cumulative impacts of a 30% top slice (reduction) in Mayor's Officer for Policing and Crime (MOPAC) to our borough allocation under the London Crime Prevention Fund, which is due to reduce from £947,123 p.a. to £662,986 for the years 2018/19, 2019/20 and 2020/21.

Crime, particularly violent crime and anti-social behaviour (ASB) continue to be a primary concern for the Mayor, Councillors and residents in the Borough. Tackling crime and ASB is one of the Mayor's key priorities. The Borough has the highest volume of ASB (101 and 999) calls across London boroughs and some forms of violent crime incidents (e.g. domestic abuse and knife crime) are unacceptably high. The Borough also receives the highest number of drugs and alcohol related ASB and crime complaints in comparison to similar east London boroughs. In 2015/16, the Borough had c16,000 drugs and alcohol related ASB reports compared to the next highest borough (Newham) which had c10,000.

The Mayor in Cabinet has recently committed over £3.3 million to fund 39 police officers over the coming 3 years, to future proof local policing in our neighbourhoods in the face of £400 million Metropolitan Police required savings. These new officers will respond to the communities' highest concerns of ASB, drugs, prostitution, gangs, serious youth violence and knife crime.

The current community safety function in the council has many pressures and demands. The historical legacy of the use of MOPAC funding for projects and posts has led to a lack of sustainability and flexibility in the current model. The transfer of community safety into HA&C has proved successful as a number of

safeguarding service synergies have already delivered improvements e.g. the community MARAC. The current function as it stands delivers well on specialist areas VAWG, PREVENT, Hate Crime all of which align to the borough strategic priorities.

However these programmes and services do not deliver on the political priority to tackle ASB, reduce weapon enabled violence, PROTECT /counter-terrorism agenda and new expectations and emerging threats from serious organised crime (SOC). SOC is a key borough risk and links to the scale, nature and threat posed by organised criminal networks to children and vulnerable communities. In turn this impacts on the pace of the children's services improvement journey post Ofsted - a corporate priority.

The Civil Protection Unit, also under community safety (x2 fte), lacks the resilience to deliver on increasing expectations post the Grenfell Tower tragedy and the current UK threat level for terrorist attack.

Given the increasing demands and pressures and the high political profile of the community safety agenda there would be clear value to be gained and corporate risks mitigated in demonstrating that the Council is further committed to sustaining the gains achieved through the ASB review and the significant investment in additional policing.

Recommendations

- Safeguard current service provision and staffing funded through MOPAC grant from 30% LCPF top-slice 2018.
- Develop new strategic approach to tackling Serious Organised Crime and new service model supported by SOC profiling/mapping, to seize opportunities aligned to the new proposal that the Met police will roll out dedicated SOC advisors in each borough. Also to support the corporate priority to improve children services and protect children at risk of exploitation.
- Provide an A&E based Gangs and Public Safety Co-ordinator to safeguard victims of violent crime (stabbing) to establish levels of risk, provide practical support and advice for victims of gang associated violence, exit strategies for those involved and share information with appropriate partner agencies.
- Develop enhanced strategic expertise in the current service to provide expert advice on ASB and crime internally within the council and externally to partners.
- Enhance the resilience of the Civil Protection Unit and aim to provide a gold service standard.
- Enhance expertise and develop a coherent programme of protective security measures and activity to PROTECT the borough from terrorist attack.

Post / Resource	Individual Cost	No.	Total Cost per annum
<u>Civil Protection Unit:</u>			
Protect Programme Manager (PO6)	£62,103	1	£62,103
Civil Contingencies Officer (PO4)	£55,898	1	£55,898
Borough Civil Protection IT System Purchase	£47,500*	1	*£47,500 (one off cost)
Annual Licence	£27,500	1	£27,500(5 year contract)
Protect Programme Training	£10,000	1	£10,000
<u>Rapid Response/ Community Safety Outreach Team:</u>			
A&E Gangs and Public Safety Co-ordinator (PO2)	£48,225	1	£48,225
<u>Partnership Commissioning:</u>			
Crime and ASB Specialist Commissioner (PO7)	£65,877	1	£65,877

Serious Organised Crime (S.O.C): SOC Programme Co-ordinator (PO5)	£59,624	1	£59,624
Total:			£346,257

Budgeted Outcomes/ Accountability (Focus on Improved performance)

The Tower Hamlets Council Strategic Plan 2016-19 identifies 'People feel safe and places have less crime and ASB' as one of the desired outcomes. It will be achieved only when all the partners work together with sufficient resources. These crucial areas of growth to the Council will enable us to effectively co-ordinate partnership responses to priority community safety concerns, emerging trends and key duties/responsibilities.

Aligns to the strategic priorities

- Less crime and ASB
- Young people realising their potential
- An improved environment

Crime continues to be the second highest priority for Tower Hamlets residents. Nationally all crime is on the increase. Although the crime profile for the Borough has seen some reductions in traditional volume crime – the borough still has the highest level of ASB demand in London, Violence is still unacceptably high. Tower Hamlets is in the top 5 London boroughs in relation to knife crime with injury under 25yrs.

The Borough has an active, visible open street based drug markets, street prostitution and issues with street level gangs involved in violence and criminality. Organised crime networks operate differently and may be involved in the supply and distribution of drugs, modern slavery, facilitate child sexual exploitation and others bridge the gap between terrorism and organised criminality. The profile and prevalence of SOC differs greatly from area to area. We have an urgent need to understand our unique local vulnerabilities to serious and organised crime and address them through multi agency action plans whilst at the same time safeguarding children and those most vulnerable to exploitation.

Outcomes

Crime and ASB reduces

Children and vulnerable communities are protected from exploitation by OCGs

Improved feelings of safety and health and well-being.

Improved borough resilience

Risks & Implications

Highlight Service/ Corporate associated;

- Crime & ASB goes up.
- Resident dissatisfaction increases & Increasing complaints in relation to asb and crime to the council
- Perceptions and feelings of safety
- The council is unable to fulfil its statutory duties in line with the Civil Contingencies Act
- This proposal will help reduce the Council's reputational risks. It aims to address community concerns relating to community safety in the Borough which has the highest volume of ASB (101 and 999) calls across London boroughs. Action to tackle these problems will reassure the residents.

Value for Money & Efficiency

The cost to the public purse in relation to crime and ASB is significant, in total there were 37,942 crimes in the borough (Total Notifiable Offences) over the 12 months up to and including 5th October 2017, this is up 6% on the previous 12 month period. The Home Office most recently updated their Cost of Crime Calculator in 2010 with the cost per crime varying considerably within that, ranging from murders estimated at costing £1,774,681 and shoplifting costing £124 each.

Recorded Offences	Number of incidents in Tower Hamlets	Unit costs	Total estimated costs (year up to 5 Oct 2017)
Criminal damage	2,432	£1,053	£2,560,896
Knife injury victims (U25 non DA)	106	£25,747	£2,729,182
Robbery personal property	1,389	£8,810	£12,237,090

Sources

MPS daily dashboard report period ending 5 October 2017

"Revisions made to the multipliers and unit costs of crime used in the Integrated Offender Management Value for Money Toolkit"

(<https://www.whatdotheyknow.com/request/163974/response/411544/attach/4/Further%20information.pdf>)

Growth Type	Mayoral Priority
Title	Enabling Unemployed Parents to Move into Childcare Jobs
Reference	MPG / PLA 01 / 18-19
Strategic Priority Area	1.1 People access a range of education, training, and employment opportunities and feel they share the benefits from growth
Lead Member	Cllr. Josh Peck, Cabinet Member for Work & Economic Development
Directorate	Place
Service Area	Growth & Economic Development
Lead Officer	Andy Scott

Financial Information	Budget Allocation	Growth Bid		
		2017-18 £'000	2018-19 £'000	2019-20 £'000
Employee Costs	7	44	45	45
Other Costs	5	406	406	406
Income*				
Reserves				
Capital				
HRA				
Total	12	450	451	451

Staffing Impact	2017-18	2018-19	2019-20	2020-21
Employees (FTE)	1	1	1	1

*Apprenticeship Levy

Description & Justification

This bid seeks to increase the number of Level 2 skilled childcare workers and upskill at least the same number of existing childcare workers. It has been re-submitted from February 2017, taking into account the implementation of the government's new Apprenticeship Levy. The proposal is to provide, over the lifetime of the project:

- 60 new Level 2 Apprentice childcare roles
- A minimum of 60 up-skilled to Level 3 and above childcare workers

The above costs are based upon the following assumptions:

- 1 x PO3 delivery post (£44k including on-costs) to be recruited in the financial year 2017/18
- Recruitment and project marketing costs for the above at £5k per annum
- DBS checks for participants at £44.00 per client. 25 per annum have been allowed for on the basis that some will highlight difficulties that disqualify them from working with children. Existing staff to be upskilled will have been DBS checked but a small number may require and updated check.
- Apprentice salaries and on-costs for 20 per annum at £20k per client.
- All training costs to be covered by LBTH Levy or for upskilled staff, their own organisation's Levy allowance.

Affordable childcare is recognised as being a major barrier to employment for many local residents. Welfare reform is having a profound impact on residents in the borough, as are funding cuts to educational school-based nurseries. Lone parent households are one of the groups most affected early findings indicate that future changes to childcare through the proposed 30hrs central government scheme will further compound the difficulties for these households.

Two thirds of mothers (66%) reported that they were in employment; around 53% of non-working mothers agreed they would go to work if they could arrange good quality childcare which was convenient, reliable and affordable.

Estimates are that around 40,000 LBTH residents are economically inactive, of which 70% are women.

This project seeks to address in a small measure both supply and demand side need for quality childcare workers. A member of staff will be employed in the financial year 2017/18 in order to further develop the initiative and work with Legal and Procurement on the process for assigning placements.

Budgeted Outcomes/ Accountability (Focus on Improved performance)

Align with the council's strategic priorities; provide performance information data; agreed proposed outcomes and expected improvements in service delivery/ performance

- 60 new Level 2 Apprentice childcare roles - LBTH employed
- A minimum of 60 childcare workers up-skilled to Level 3 or above

A requirement of each placement will be a commitment from the provider to upskill at least one existing member of staff, and one of the key promotional themes of this programme will be the incentive for providers that by hosting an LBTH Level2 Apprentice they will mitigate the impact of the 20% study leave required by their existing staff during their up-skilling training.

This programme will increase the number of internal apprenticeships supported by LBTH and help to maximise the use of the Apprenticeship Levy funds, with training costs of up to 6k per learner for the 60 LBTH apprentices being paid out of the levy. The programme will further increase the number of apprenticeships, albeit by upskilling existing workers, under the Mayors "1000 apprenticeships" pledge.

Placements will be monitored to ensure effective relevant work planning and pastoral care provision. Training will be quality controlled through the processes laid down in the Digital Account management.

Risks & Implications

Highlight Service/ Corporate associated;

- Lack of take up by clients – mitigated by effective marketing campaign and joint work with Children's Centres and schools using the WorkPath delivery model.
- Lack of available placements – mitigated by joint work with Children's Services Early Years; outreach and engagement with provider; effective guidance and marketing materials.
- Delayed DBS checks – the system has moved to online digital and is now much quicker. One of the roles of the appointed staff member will be to constantly chase completion of DBS checks.

Value for Money & Efficiency

Provide justification for VFM & Efficiency

Assisting unemployed residents into work secures a number of key savings; include costs to the Exchequer in terms of benefit payments, costs to the Council in terms of Discretionary Housing Payment and potential rent arrears. The expenditure on this type of Intermediate Labour Market programme bridges the gap between LBTH subsidising unemployed residents and developing their self-reliance in work. Work is known to have a positive impact on health and well-being and will have associated savings to health and potentially future care services.

The programme will increase the number of internal apprenticeship supported by LBTH and help to maximise the use of the Apprenticeship Levy funds, with training costs of up to 6k per learner for the 60 LBTH apprentices. The programme will further increase the number of apprenticeships, albeit by Upskilling existing workers, under the Mayors "1000 apprenticeships" pledge.

Growth Type	Mayoral Priority
Title	Watney Market Shop Front for 'Young WorkPath'
Reference	MPG/ PLA 02 / 18-19
Strategic Priority Area	1.2 Children and young people feel they are protected and get the best start in life and realise their potential
Lead Member	Cllr Josh Peck - Growth & Economic Development
Directorate	Place
Service Area	Growth & Economic Development (WorkPath/Employment)
Lead Officer	Andy Scott / Rachel Jenman

Financial Information	Budget Allocation	Growth Bid		
		2017-18 £'000	2018-19 £'000	2019-20 £'000
Employee Costs				
Other Costs		60 (Building costs))	60 (Building costs))	60 (Building costs))
Income				
Reserves				
Capital		300 (Fit out & Prep)		
HRA				
Total		360	60	60

Staffing Impact	2017-18	2018-19	2019-20	2020-21
Employees (FTE)	1	No newly employed staff - Will fund current staff contingent to deliver coordinated service provision		

Description & Justification	
The bid is to fit out a shop front location in Watney Market and occupy it to deliver integrated employment and skills programmes. The premises will be used to house elements of Information advice and guidance service for the WorkPath programme.	
Specifically it is intended to align services geared toward Younger residents from this site including skill, training and apprenticeships delivery alongside housing the restructured Careers service which is expected to be transferred from Children's Services to the Growth & Economic Development Division in Place Directorate in the new financial year.	
Capital funds are required to fit out the space to meet the needs of the service. Revenue costs are required for an officer to drive the service transfer and multiagency occupancy which intends to increase engagement of younger residents, liaise with schools and colleges, better publicise the range of training and job opportunities available and to maximise the progression of young people and NEET residents into training and jobs.	
Programmes to be provided form the unit will include: <ul style="list-style-type: none"> • Information Advice and Guidance through WorkPath; • Careers Services provision to vulnerable young people (Statutory obligation) ; • Progressions to apprenticeships; • Mayors Apprenticeship Programme – generating opportunity; • Pre-employment training including employability and interview preparation; • Construction preparation training including CSCS cards and Health and Safety; • Ad-hoc sector based training provision required by specific recruiting employers; Occupation of the premises will also form part of a developing programme of regeneration for Watney Market area and the WorkPath shop front will offer a stable kick-start to the area for footfall and inward investment.	

Budgeted Outcomes/ Accountability (Focus on Improved performance)

Align with the councils strategic priorities; provide performance information data; agreed proposed outcomes and expected improvements in service delivery/ performance

Over the three year period it is expected that the service will engage an additional 900 residents, generate 1000 apprenticeship opportunities (Mayor Programme) deliver 1200 IAG sessions and deliver 400 additional training outcomes.

The Facility will become a focal point for young people engagement on pathways to employment and apprenticeship; and the provision will adapt more quickly to changing labour market trends and opportunities.

The Careers service provision is currently housed in Bow Road but no longer has a current lease and therefore will need to be rehoused elsewhere. The premises offers shared and joined up facilities to both align Careers Services to the Employment and training programmes within WorkPath and also potentially halves the costs to the council in lease arrangements for Bow Road.

The governance of the programme will fit within WorkPath delivery and performance will be driven and monitored through the council performance management process under employment and opportunity indicators.

Risks & Implications

Service risks

- Risk: Careers Service Restructure does not complete - Low

Implications (High) - Continued overspend in Children's services budget; delays in opportunity to transfer the team, loss of formalised joined up service provision;

Mitigated by continuous working in partnership

- Risk: Careers Services does not transfer to Place Directorate - Low

Implications (Medium) - Non-integrated service as outlined in the Careers Service restructure plan; Requirement to rehouse the Careers services are with Childrens Services budgets.

Mitigation – Employment teams can work in partnership with Careers Services but do not align all functions under Workpath

- Risk: Not Occupying shop premises – TBC

Implications (Medium) - Non alignment of service provision, does not provide focal point for young people and therefore cannot enhance engagement and outcomes, Does not meet the strategic objective of outreach provision for WorkPath programme; potential that this will delay increases in outputs and not maximise joined up functions. Loss of premises for Careers services to locate in resulting in restart of process to rehouse the services and increased costs to council budgets.

Mitigation – Explore alternative options for shop front or outreach provision, align Careers and employment services at a distance.

Value for Money & Efficiency

Careers service is being restructured to not only bring the service back within its budget allocations, it is also taking account of the statutory services required going forward to vulnerable young people and the alignment of provision through the WorkPath programme in employment and skills. This will provide a cost effective and seamless pathway

from advice to young people through to accessing skills, training and employment opportunities.

The Careers restructure essentially stops a £350,000 overspend annually reduces the service costs to around half of their existing budget and offers a reduction in costs for current leased premises.

Alignment of the Careers Services alongside WorkPath will provide for an integrated service provision which can increase outcomes for skills and jobs across young people but also impacts positively on specific disadvantaged groups of NEET, Learning Difficulty, leaving care, Ethnic minorities, Women and disabilities (Physical & Mental).

Growth Type	Mayoral Priority
Title	Private Tenants Charter
Reference	MPG/ PLA 03 / 18-19
Strategic Priority Area	2.2 People live in good quality and affordable homes and neighbourhoods
Lead Member	Cllr Sirajul Islam – Deputy Mayor
Directorate	Place
Service Area	Environmental Health and Trading Standards
Lead Officer	David Tolley

Financial Information	Budget Allocation	Growth Bid		
		2017-18 £'000	2018-19 £'000	2019-20 £'000
Employee Costs	75	100	100	100
Other Costs				
Income				
Reserves				
Capital				
HRA				
Total	75	100	100	100

Staffing Impact	2017-18	2018-19	2019-20	2020-21
Employees (FTE)	2	2	2	2

Description & Justification	
As part of the recent launch of the Tenants Charter by the Mayor and Deputy Mayor, it was recognised that there would be extra demand placed on Environmental Health and Trading Standards to address the complaints and undertake investigations/prosecutions against letting agents.	
As part of the launch the Mayor requested a further £75,000 to be allocated to the Service, in year, and an ongoing request for future funding to be considered.	
This additional funding for forthcoming years would be used to employ a Senior Trading Standards Officer and a Environmental Health Officer	

Budgeted Outcomes/ Accountability (Focus on Improved performance)	
Align with the councils strategic priorities; provide performance information data; agreed proposed outcomes and expected improvements in service delivery/ performance	
Develop a Tenants Charter and Deliver statutory responsibilities in relation to investigations and enforcement actions to tackle bad conditions in the Private Rented Sector – these are milestones in the Strategic Plan.	
The employment of additional staff will meet this increase in demand for the Service area. The provision of these posts will enable the Charter to be regulated and miscreants brought in line.	

Risks & Implications

Highlight Service/ Corporate associated;

The Service would be unlikely to meet the extra demands placed on it through the Tenants Charter – the risk would be that public expectations would be raised and then not met. We would caution against raising the profile of the Charter as it would not be underpinned with enforcement.

Value for Money & Efficiency

Provide justification for VFM & Efficiency

There would be a realisation that the public would not scammed out of rental deposits.

The Housing market would be effectively policed

Growth Type	Mayoral Priority
Title	Air Quality Assistant
Reference	MPG/ PLA 04 / 18-19
Strategic Priority Area	2.1 People live in a borough that is clean and green
Lead Member	Cllr Rachel Blake
Directorate	Place
Service Area	Environmental Health and Trading Standards
Lead Officer	David Tolley

Financial Information	Budget Allocation	Growth Bid		
		2017-18 £'000	2018-19 £'000	2019-20 £'000
Employee Costs	nil	45	45	45
Other Costs		26	5	5
Income				
Reserves				
Capital				
HRA				
Total		71	50	50

Staffing Impact	2017-18	2018-19	2019-20	2020-21
Employees (FTE)	nil	1	1	1

Description & Justification				
Information should include a brief description of the growth requirement; evidence of numbers; cost drivers; impact on outcomes; reasons such as changes in legislation etc				
The Mayor in Cabinet is set to sign off the Air Quality Action Plan, which has 74 actions that will need to be managed, reviewed and pursued. The current FTE for this work is one Air Quality Officer, whose main task is to ensure that the Councils statutory duty with regards to air quality is maintained.				
The AQAP requires a number of projects to be run and evaluations carried out.				
To deliver on the actions for improving the local environment it is proposed that a further 3 static monitors are purchased at a costs of £21k and located at 3 sites as part of enhancing the monitoring of Air Quality				
There is also an expectation that the Mayors Air Quality grants (£200,000) will be administered from the Service.				
The Service does not have a sufficient number of qualified staff to meet this demand.				

Budgeted Outcomes/ Accountability (Focus on Improved performance)

Align with the councils strategic priorities; provide performance information data; agreed proposed outcomes and expected improvements in service delivery/ performance

Creating and maintaining a vibrant and successful place – an improved local environment

Key Deliverable: Improve air quality and enhance the environmental sustainability of the borough; reduce carbon emissions, enhance biodiversity and alleviate fuel poverty:

This additional post will assist with the delivery of the Mayors AQAP – without additional resourcing it is unlikely the action will be achieved

Risks & Implications

Highlight Service/ Corporate associated;

A high profile action plan with associated communications will be unlikely to achieve its potential.

The risk is that few of the detailed actions will be achieved

Value for Money & Efficiency

Provide justification for VFM & Efficiency

The delivery of the air quality action plan, whilst continue to meet our statutory requirements.

The Government could pass on any relevant fines on breeches of the air quality objectives to Local Authorities. By implementing a comprehensive air quality plan the Council may avoid these additional penalties.

Growth Type	Mayoral Priority
Title	Bursary for Environmental Health Trainees
Reference	MPG / PLA 05 / 18-19
Strategic Priority Area	2.1 People live in a borough that is clean and green
Lead Member	Cllr Amina Ali
Directorate	Place
Service Area	Environmental Health and Trading Standards
Lead Officer	David Tolley

Financial Information	Budget Allocation	Growth Bid		
		2017-18 £'000	2018-19 £'000	2019-20 £'000
Employee Costs	nil	30	30	30
Other Costs				
Income				
To Reserves				
Total		30	30	30

Staffing Impact	2017-18	2018-19	2019-20	2020-21
Employees (FTE)	nil	3	3	3

Description & Justification				
Information should include a brief description of the growth requirement; evidence of numbers; cost drivers; impact on outcomes; reasons such as changes in legislation etc				
Due to the difficulties in recruiting Environmental Health staff, this is having a direct impact on nor being able to deliver work programmes. We have approximately 15 vacancies across the Service which are being filled, where we can with agency staff. Using agency staff is not a stable platform and there is constant pressure to increase the hourly rate.				
I would like to be able to offer a £10,000 bursary to final year students to encourage them to have a work placement at Tower Hamlets and assist them with their work based professional portfolios, after which we would encourage them to apply for our vacant positions.				
The bursary would be given to final year students on the understanding they would be with us for one year training. Provision of a bursary to recruit end of year student Environmental Health Officers, to encourage recruitment of qualified Officers. £10,000 Bursary to final year students the encourage them to have a work placement at LBTH. The current scheme is for a regulators course for one year and then the student moves across to study the professional part (3 years TS and EH course). This is one-off funding.				

Budgeted Outcomes/ Accountability (Focus on Improved performance)				
Align with the councils strategic priorities; provide performance information data; agreed proposed outcomes and expected improvements in service delivery/ performance				
Creating and maintaining a vibrant and successful place – without investing in new staff we will not be able to deliver of statutory functions or delivery on other work programmes.				

Risks & Implications

Highlight Service/ Corporate associated;

We are very reliant on agency staff which does not maintain a stable platform to deliver a service.

Value for Money & Efficiency

Provide justification for VFM & Efficiency

It is more efficient in the long term to employ our own staff, by offering bursaries, we will be able to attract, new entrants into Environmental Health, with a view to becoming permanent employees

Growth Type	Mayoral Priority
Title	ASB Neighbourhood Operations
Reference	MPG/ PLA 06 / 18-19
Strategic Priority Area	2.3 People live in safer neighbourhoods and anti-social behaviour is tackled
Lead Member	Cllr Asma Begum
Directorate	Place Directorate
Service Area	Community Safety
Lead Officer	Ann Corbett & Roy Ormsby

Financial Information	Budget Allocation	Growth Bid		
		2017-18 £'000	2018-19 £'000	2019-20 £'000
Employee Costs		145	200	200
Other Costs				
Income				
Reserves				
Capital				
HRA				
Total		145	200	200

Staffing Impact	2017-18	2018-19	2019-20	2020-21
Employees (FTE)		3	4	4

Description & Justification

This investment aims to address community concerns relating to community safety, anti-social behaviour (ASB) continue to be a primary concern for the Mayor, Councillors and residents in the Borough. Tackling crime and ASB is one of the Mayor's key priorities. The Borough has the highest volume of ASB (101 and 999) calls across London boroughs.

After 10 years of sustained crime reduction we are moving into an increasingly challenging economic climate. Cutting crime and ASB will not get any easier. The challenge we faced in TH now is different to the challenge faced 3, 5, 7 years ago.

The ASB review 2016- 17 highlighted a number of issues and risks. There is a lack of capacity to deliver effectively on ASB casework, and insufficient operational expertise and capacity. In order to sustain and accelerate further improvement on the crime and disorder agenda, the council needs to apply its resources as efficiently and effectively as possible, ensuring its operational structures for crime and disorder delivery are responsive, resident focussed and geographically aligned to operational neighbourhood service clusters. Developing the planned Neighbourhood Management Pilot and realigning our operational response to geographical areas is crucial if we are to address these Mayoral and community Priorities

Recommendations

The model is being piloted in areas of the Borough where there is a concentration of ASB problems.

The proposal is for a Neighbourhood Manager and Community Warden posts for each Neighbourhood Area to co-ordinate operations that will:

- Enhance the case management and investigation capacity of the current ASB function in PLACE.
- Co-ordinate operations work in partnership with residents and partner agencies and manage ASB Case Investigation Officers in their area.

The investment identified in this proposal is indicative. Once the pilot has been completed this will inform the

approach that best determines the future requirements to deliver the Neighbourhood model along with alternative approaches to dealing with the problem identified such as investment in other areas such as CCTV and partnership taskforce working.

Budgeted Outcomes/ Accountability (Focus on Improved performance)

The Tower Hamlets Council Strategic Plan 2016-19 identifies 'People feel safe and places have less crime and ASB' as one of the desired outcomes. It will be achieved only when all the partners work together with sufficient resources.

Additional neighbourhood area based Community Safety Operations Managers and ASB Case Investigation Officers will help provide a council response to our responsibility to tackle ASB in our neighbourhoods and link in to partnership agencies within these areas to ensure that response is co-ordinated and cost effective, this includes the new Neighbourhood Policing Support Teams and additional officers for our housing estates being funded by the Council.

It will help to build accountability and confidence at the community level, increasing visibility and tackling those issues that matter most to our residents. Expanding the capacity of our currently very limited ASB service will help tackle a wider range of anti-social behaviour issues, and prevent their escalation into more serious offences including violent crime and the use of offensive weapons like knives and acid/corrosive substance.

The investment in additional neighbourhood based ASB/community safety teams will, therefore, save the council in the long run by using the powers available to us to at the point of need and reduce our reputational risk as being seen as inactive and ineffective in exercising our statutory responsibilities to tackle and reduce ASB by both partner agencies and more importantly the communities we serve.

Aligns to the strategic priorities

- Less crime and ASB
- An improved environment

Crime continues to be the second highest priority for Tower Hamlets residents. Nationally all crime is on the increase. Although the crime profile for the Borough has seen some reductions in traditional volume crime – the borough still has the highest level of ASB demand in London. Complaints and casework in relation to ASB and drugs is increasing.

Outcomes

Co-ordinated and effective response to ASB

ASB and crime reduces

Confidence and satisfaction increases

Reduction in MEs and Customer Complaints

Risks & Implications

Highlight Service/ Corporate associated;

- Crime & ASB goes up.
- Resident dissatisfaction increases & Increasing complaints in relation to ASB and crime to the council
- Perceptions and feelings of safety
- The council is unable to deliver on the recommendation from the ASB Review
- This proposal will help reduce the Council's reputational risks. It aims to address community concerns relating to community safety in the Borough which has the highest volume of ASB (101 and 999) calls across London boroughs. Action to tackle these problems will reassure the residents.

Value for Money & Efficiency

The cost to the public purse in relation to crime and ASB is significant, in total there were 37,942 crimes in the borough (Total Notifiable Offences) over the 12 months up to and including 5th October 2017, this is up 6% on the previous 12 month period. The Home Office most recently updated their Cost of Crime Calculator in 2010 with the cost per crime varying considerably within that, ranging from murders estimated at costing £1,774,681 and shoplifting costing £124 each.

Recorded Offences	Number of incidents in Tower Hamlets	Unit costs	Total estimated costs (year up to 5 Oct 2017)
Criminal damage	2,432	£1,053	£2,560,896
Knife injury victims (U25 non DA)	106	£25,747	£2,729,182
Robbery personal property	1,389	£8,810	£12,237,090

Sources

MPS daily dashboard report period ending 5 October 2017

"Revisions made to the multipliers and unit costs of crime used in the Integrated Offender Management Value for Money Toolkit"

(<https://www.whatdotheyknow.com/request/163974/response/411544/attach/4/Further%20information.pdf>)

**The Council's 2018-19 Budget Report and
Medium Term Financial Strategy 2018-21**

Appendix 4

SAVINGS

Directorate	2018/19 £'000	2019/20 £'000	2020/21 £'000	Total £'000
Health, Adults and Community	-	-	1,000	1,000
Children's Services	300	-	350	650
Place	-	-	880	880
Governance	-	-	-	-
Resources	-	-	2,550	2,550
Corporate Costs	1,458	-	4,250	5,708
Total	1,758	-	9,030	10,788

Strategic Priority Area	2018/19 £'000	2019/20 £'000	2020/21 £'000	Total £'000
1.1 People access a range of education, training, and employment opportunities and feel they share	-	-	-	-
1.2 Children and young people feel they are protected and get the best start in life and realise their	-	-	-	-
1.3 People access joined-up services when they need them and feel healthier and independent	-	-	1,000	1,000
1.4 Inequality is reduced and people live in a cohesive community	300	-	350	650
2.1 People live in a borough that is clean and green	-	-	680	680
2.2 People live in good quality and affordable homes and neighbourhoods	-	-	100	100
2.3 People live in safer neighbourhoods and anti-social behaviour is tackled	-	-	-	-
3.0 A focussed and efficient Council co-producing excellent services	1,458	-	6,900	8,358
Total	1,758	-	9,030	10,788

Ref	Directorate	Service Area	Title	Lead Member	Strategic Priority Area	Themes	2018/19 £'000	2019/20 £'000	2020/21 £'000	TOTAL £'000	Is an Equalities Analysis required?	Proposed level of public consultation
SAV/ CHI 01 / 18-19	Children's Services	Sports, Culture and Youth	Events In Parks - Income Generation	Cllr Amy Whitelock-Gibbs	1.4 Inequality is reduced and people live in a cohesive community	Smarter Business Support	300	-	350	650	No	N/A
SAV/ HAC 01 / 18-19	Health, Adults and Community	Adult Social Care	Adult Social Care Transformation	Cllr Denise Jones	1.3 People access joined-up services when they need them and feel healthier and independent	Smarter Demand Management	-	-	1,000	1,000	Yes	General public and service user specific consultation
SAV/ PLA 01 / 18-19	Place	Public Realm	Waste, Recycling & Street Cleansing Contract	Cllr Rachel Blake	2.1 People live in a borough that is clean and green	Smarter Business Support	-	-	200	200	No	N/A
SAV/ PLA 02 / 18-19	Place	Housing /THH	Review of Housing Delivery (THH/TH)	Cllr Sirajul Islam	2.2 People live in good quality and affordable homes and neighbourhoods	Smarter Business Support	-	-	100	100	No	N/A
SAV/ PLA 03 / 18-19	Place	Asset management	Reduction in Running costs/ Liability of Council Assets	Cllr Sirajul Islam	3.0 A focussed and efficient Council co-producing excellent services	Smarter Business Support	-	-	100	100	No	N/A
SAV/ PLA 04 / 18-19	Place	Public Realm	Street Lighting Efficiencies	Cllr Amina Ali	2.1 People live in a borough that is clean and green	Smarter Service Design	-	-	180	180	No	N/A
SAV/ PLA 05 / 18-19	Place	Public Realm & Parks	Review of Parks	Cllr Abdul Mukit	2.1 People live in a borough that is clean and green	Smarter Service Design	-	-	300	300	No	N/A
SAV/ RES 01 / 18-19	Resources	Housing Benefits	Improved Recovery of Housing Benefits Overpayments	Cllr David Edgar	3.0 A focussed and efficient Council co-producing excellent services	Smarter Business Support	-	-	500	500	No	N/A
SAV/ RES 02 / 18-19	Resources	Human Resources	HR Services - Additional Staffing Efficiencies	Cllr David Edgar	3.0 A focussed and efficient Council co-producing excellent services	Smarter Business Support	-	-	100	100	No	N/A
SAV/ RES 03 / 18-19	Resources	Audit	Internal Audit – Streamline Management and Explore Shared Service Options	Cllr David Edgar	3.0 A focussed and efficient Council co-producing excellent services	Smarter Business Support	-	-	50	50	No	N/A
SAV/ RES 04 / 18-19	Resources	Revenues Services	Revenue Services – Workforce efficiencies through greater self-service and automation	Cllr David Edgar	3.0 A focussed and efficient Council co-producing excellent services	Smarter Business Support	-	-	100	100	Yes	General public consultation
SAV/ RES 05 / 18-19	Resources	ICT	ICT Savings	Cllr David Edgar	3.0 A focussed and efficient Council co-producing excellent services	Smarter Business Support	-	-	750	750	No	N/A
SAV/ RES 06 / 18-19	Resources	Finance	Finance Services – Process improvements and new Finance System Implementation	Cllr David Edgar	3.0 A focussed and efficient Council co-producing excellent services	Smarter Business Support	-	-	100	100	No	N/A
SAV/ RES 07 / 18-19	Resources	Wi-Fi Concession Contract	Income Through Wi-Fi Concession Contract	Cllr David Edgar	3.0 A focussed and efficient Council co-producing excellent services	Smarter Business Support	-	-	300	300	No	N/A
SAV/ RES 08 / 18-19	Resources	Housing	Income Through Housing Companies	Cllr David Edgar	3.0 A focussed and efficient Council co-producing excellent services	Smarter Business Support	-	-	250	250	No	N/A
SAV/ RES 09 / 18-19	Resources	Housing	THH - Potential support service Savings	Cllr David Edgar	3.0 A focussed and efficient Council co-producing excellent services	Smarter Service Design	-	-	100	100	No	N/A
SAV/ RES 10 / 18-19	Resources	Customer Access	Additional Local Presence Efficiencies	Cllr David Edgar	3.0 A focussed and efficient Council co-producing excellent services	Smarter Customer Access	-	-	300	300	Yes	General public consultation
SAV/ CORP 01 / 18-19	Corporate Costs	Treasury Management	Treasury Management Investment Opportunities	Cllr David Edgar	3.0 A focussed and efficient Council co-producing excellent services	Smarter Business Support	1,458	-	-	1,458	No	N/A
SAV/ CORP 02 / 18-19	Corporate Costs	Procurement/Contract Management	Contract Management Efficiencies	Cllr David Edgar	3.0 A focussed and efficient Council co-producing excellent services	Smarter Business Support	-	-	4,250	4,250	No	N/A
			TOTAL							1,758		
										9,030	10,788	

Project Title	Events in Parks – Income Generation
Reference	SAV/ CHI 01 / 18-19
Strategic Priority Area	1.4 Inequality is reduced and people live in a cohesive community
Directorate	Children's Services

Executive Summary

In January 2017, Cabinet report "Contractual arrangements for commercial and community events" agreed to re-let the Victoria Park major events concessions contract. The outcome of the re-tendering process and changes in the events market since 2014 has resulted in a significantly higher income being achieved whilst minimising impact on the local residents and other park users.

As a consequence of the new contract, it is proposed to increase the annual contribution to the MTFS as set out below. This additional income above that currently assumed in the budget takes account of the need to address pressures in the core budget which have previously been covered on an ad-hoc basis from the Victoria Park income.

Budget Projection and Staffing Impact

Service/Vote	Cost Centre	Base Budget £'000	Net Savings 2018-19 £'000	Net Savings 2020-21 £'000	Original FTE	Total FTE reduction 2020-21
E46	49342	(390)	(300)	(350)		

Project Title	Adult Social Care Transformation
Reference	SAV/ HAC 01 / 18-19
Strategic Priority Area	1.3 People access joined-up services when they need them and feel healthier and independent
Directorate	Health, Adults and Community

Executive Summary

There is a significant programme of transformation within Adult Social Care which includes:

- Demand management
- Redesign of the 'front door'
- Increased efficiency and effectiveness of short term support including re-ablement
- Practice improvement in line with the Care Act 2014 and Making Safeguarding Personal
- Redesign of front-line teams to form integrated locality model with health
- Development of a "single point of access" across health and social care
- A new learning disability strategy to deliver improved local housing and support options which will over time reduce our reliance on expensive residential care out of the borough
- Working with Workpath to improve employment rates for those with mental health problems and those with a learning disability
- Increasingly integrated commissioning under the governance of the Health & Wellbeing Board

Aspects of this work have already been linked to savings within the current MTFS.

Where there is slippage on the current savings programme, there is a focus on ensuring these work strands remain on track against amended trajectories and where possible are brought back in line with anticipated timescales. Mitigation of the slippage this year is largely through use of the Improved Better Care Fund which is non-recurrent funding. It is not proposed to extend the current savings targets until delivery is in a firmer position and impact can be better assessed.

In some areas, it is likely that further savings will be possible although firm proposals are not yet developed. These include:

- Demand Management – work carried out by Impower (under the transformation strategic partnership) has highlighted the potential for improved conversations with residents at the front door of Adult Social Care and during annual reviews. Trials using behaviour insights methodology have been concluded and this demonstrates a positive impact of the approach. However, the financial assessment of impact is insufficient for a full business case at this stage.
- The redesign of the front-door – as we move towards more integration with health and as we make improvements to our processes at the front door , there is potential for savings through faster access to short term support where appropriate and through effective strength-based care planning and more creative use of personal budgets and direct payments.

Work will need to be done during the next year to develop more specific savings proposals however there is sufficient indication that further savings will be possible. The savings are more likely to be from care packages rather than directly employed staff budgets.

Options Analysis

Option	Description Title	Benefits	Dis benefits	Risks	Current Annual Costs	Proposed Annual Savings (ROI)
1	Identify further savings from adult social care based on specific business cases	More clearly identifies where anticipated savings will come from	Work on demand management and the front-door model is not yet at a stage where robust business cases can be developed	Further work does not identify specific savings opportunities	92.805m	N/A as not developed
2	Do not identify any further savings from adult social care	Protects adult social care from having to find further savings	<ul style="list-style-type: none"> ▪ No contribution to the overall financial gap and areas where higher comparative costs are indicated would not get addressed 	<ul style="list-style-type: none"> ▪ Challenge around effective use of resources 	92.805m	0
3	Identify a high level, indicative saving which is likely to be possible through further work on adult social care transformation particularly around demand management and the model at the front-door	<p>Keeps a focus on transformation and effective use of resources</p> <p>Contributes to the overall financial sustainability of the Council</p>	<ul style="list-style-type: none"> ▪ Saving outline is high level and subject to further work and analysis 	<ul style="list-style-type: none"> ▪ Further work does not identify specific savings opportunities 	92.805m	500k to £1m

Recommended Option

Option 3

Budget Projection and Staffing Impact

Service/Vote	Cost Centre	Base Budget 2017/18 £'000	Net Savings 2020-21 £'000		Original FTE	Total FTE reduction 2020-21
Adult Social Care	Various – most likely care package cost centres	£92.805m	£0.5m-£1m		N/A	N/A – unlikely to be staffing reductions

Risks

Identified Risk	Trigger	Risk Approach	Owner	Score			Mitigation that will be developed into control measures
				Likelihood	Impact	Profile	
That further work does not demonstrate robust business cases for further savings	Further work on demand management and the model at the front door	Accept risk and mitigate	Corporate Director, Health, Adults & Community	1	4	4	Continue to work on several different aspects of transformation so that more than one business case is considered

Red (Severe) (15+)	Amber (Significant) (10+)	Yellow (Material) (5+)	Green (Manageable) (up to 4)
Serious concern. Comprehensive Management action required immediately.	Significant concern. Some immediate action required plus comprehensive action plans.	Incidences of risk are of some concern although treating the risk will usually be through contingency planning. Risk to be kept under regular monitoring	The risk is relatively however risk should be monitored.

Project Title	Waste, Recycling & Street Cleansing Contract
Reference	SAV/ PLA 01 / 18-19
Strategic Priority Area	2.1 People live in a borough that is clean and green
Directorate	Place

Executive Summary

There may be the potential for savings from the procurement of the Waste and Recycling Collection and Street Cleansing contracts. This will be determined by the commercial appetite of bidding contractors and our ability to maintain or improve the level and quality of service as part of the tender award process. Officers are tasked with trying to achieve procurement savings from all major contracts and given the scale of this service it is anticipated that there will be significant market interest and therefore at least some potential for savings to be achieved. The level of potential scope for savings will only become apparent once the tender specification has been drawn up however given the long lead in time, there are opportunities to review or amend the proposal as the specification develops. Actual levels of savings that could be delivered through this proposal will not be known until the procurement exercise is undertaken but a working assumption of a minimum £200k per annum from 2020-21 is believed to be a reasonable starting point.

Options Analysis

Option	Description Title	Benefits	Dis benefits	Risks	Current Annual Costs	Proposed Annual Savings (ROI)
1	Waste, Recycling & Street Cleansing Contract	Given the scale of the service, procurement savings could be realised as part of the tender award process.			£20m	£200k

Recommended Option

No recommended options at present. Further work is required to be undertaken to determine the most appropriate commissioning options for the future delivery of recycling, refuse and street cleansing services as a result of the review

Budget Projection and Staffing Impact

Service/Vote	Cost Centre	Base Budget £'000	Net Savings 2020-21 £'000		Original FTE	Total FTE reduction 2020-21
E15			200			

Project Title	Review of Housing Delivery (THH/TH)
Reference	SAV/ PLA 02 / 18-19
Strategic Priority Area	2.2 People live in good quality and affordable homes and neighbourhoods
Directorate	Place

Executive Summary

Review of Housing Delivery (THH/TH) - Management & Service Delivery Efficiencies - Subject to review being undertaken to determine the level of potential savings that can be achieved.

Similar to (RES 009) which relates to opportunities to rationalise and streamline support services; it is anticipated that the management and service delivery would also be expected to yield efficiencies from the possible consolidation of its service delivery teams where there should be clear synergies in the delivery of capital programme; delivery of housing maintenance and other similar services.

There are housing related projects within both THH and TH designed to deliver new housing supply and carry out improvements to existing stock. A review will be undertaken to explore options to streamline management responsibilities and rationalise teams responsible for these areas with a view to delivering efficiency savings by 2020-21. Actual levels of savings that could be delivered through this proposal will not be known until the review is concluded but a working assumption of a minimum £100k per annum from 2020-21 is believed to be a reasonable starting point.

Options Analysis

Option	Description Title	Benefits	Dis benefits	Risks	Current Annual Costs	Proposed Annual Savings (ROI)
1	Review of Housing Delivery (THH/TH)	Management & Service Delivery Efficiencies through clear synergies in the consolidation of delivery teams				£100k

Recommended Option

No recommended options at present subject to review on the management and service delivery being undertaken.

Budget Projection and Staffing Impact

Service/Vote	Cost Centre	Base Budget £'000	Net Savings 2020-21 £'000		Original FTE	Total FTE reduction 2020-21
TBC	TBC	TBC	100			

Project Title	Reduction in Running Costs / Liability of Council Assets
Reference	SAV/ PLA 03 / 18-19
Strategic Priority Area	3.0 A focussed and efficient Council co-producing excellent services
Directorate	Place

Executive Summary

The Council will review its current asset base and look to increase the efficiency in the use of its buildings through consideration of a range of options including their possible disposal or use as part of investment proposals. The intention is to reduce the need for the Council to fund running costs of those assets from its core budget either through eliminating costs through disposal or covering those costs in other ways such as through income from tenants. This applies to the normal building operating costs such as utility costs and business rates.

Recommended Option

No recommended options at present subject to review on the management and service delivery being undertaken.

Budget Projection and Staffing Impact

Service/Vote	Cost Centre	Base Budget £'000	Net Savings 2020-21 £'000		Original FTE	Total FTE reduction 2020-21
Asset Management	Various	TBC	100		TBC	TBC

Project Title	Street Lighting Efficiencies
Reference	SAV/ PLA 04 / 18-19
Strategic Priority Area	2.1 People live in a borough that is clean and green
Directorate	Place

Executive Summary

Street Lighting Efficiencies – The introduction of long life LED lighting will enable savings to be made on the current energy consumption costs of approx. £600k per annum and from the maintenance budget of £541k. If the Remote Monitoring Capital bid is agreed then there is the potential for up to 100k to be deliverable from both efficiencies being implemented. This takes into account additional costs that will be incurred to service a back office data agreement with the service provider.

The current £15m capital investment in Street Lighting provides the opportunity to amend the current programme to include remote monitoring. Remote monitoring allows more effective management of the lighting stock, with less time out of lighting, but also allows the profile of lighting to be shaved at both the start and end of the lighting period. This is in addition to the dimming of lights to an extent where there is not a noticeable impact, but reduces the cost of energy. The proposed additional capital of £1.2m would allow retro fitting of those columns already replaced and for any new columns to be fitted along with their new LED fixtures.

Recommended Option

Reduction in maintenance costs if remote monitoring of Street Lighting is agreed based on Capital investment in the Borough.

Budget Projection and Staffing Impact

Service/Vote	Cost Centre	Base Budget £'000	Net Savings 2020-21 £'000		Original FTE	Total FTE reduction 2020-21
TBC	TBC	TBC	180			

Project Title	Review of Parks
Reference	SAV/ PLA 05 / 18-19
Strategic Priority Area	2.1 People live in a borough that is clean and green
Directorate	Place/Children's

Executive Summary

Review of Parks

- Review of operations and delivery of parks service –this proposal will consider the way that services are delivered through consideration of amalgamating operations.

Options Analysis

Option	Description Title	Benefits	Dis benefits	Risks	Current Annual Costs	Proposed Annual Savings (ROI)
1	Amalgamations of operation					150
2	Other - TBC					150

Recommended Option

Detailed options to be developed but will include options that consider amalgamation of operations and strategic responsibility.

Budget Projection and Staffing Impact

Service/Vote	Cost Centre	Base Budget £'000	Net Savings 2020-21 £'000		Original FTE	Total FTE reduction 2020-21
TBC	TBC	TBC	300		TBC	TBC

Project Title	Improved Recovery of Housing Benefits Overpayments
Reference	SAV/ RES 01 / 18-19
Strategic Priority Area	3.0 A focussed and efficient Council co-producing excellent services
Directorate	Resources

Executive Summary

Improve recovery of Housing Benefits Overpayments through earlier engagement. This follows an independent review undertaken in 2017 which proposes that increasing resources within the Benefits Service Overpayments Team will enable additional income through recovery of £500k p.a. The saving is considered to be a net benefit and will require investment in additional staff resources to achieve.

Options Analysis

Option	Description Title	Benefits	Dis benefits	Risks	Current Annual Costs	Proposed Annual Savings (ROI)
1.	Improved recovery of Housing Benefits Overpayments	Increase resources to recover Overpayments and greater use of new powers, new systems, interventions and DWP data. Focus on early engagement when overpayments are raised for new overpayments, ensuring proposed recovery meets tackling poverty criteria and vulnerable households are supported e.g. overpayment recovery deferred where appropriate, debt advice, support provided. Use of new powers and data access to identify in work residents who have ignored invoices, making contact to obtain agreements to repay or use direct earnings attachment powers.	Under resourcing minimises income recovery	Failure to maximise income were the additional resources not secured.		£500k

Recommended Option

Increase resources by recruitment of 4 Benefits Overpayment Recovery staff

Budget Projection and Staffing Impact

Service/Vote	Cost Centre	Base Budget £'000	Net Savings 2020-21 £'000		Original FTE	Total FTE reduction 2020-21
Housing Benefits	Various		500			0

Project Title	HR Services - Additional Staffing Efficiencies
Reference	SAV/ RES 02 / 18-19
Strategic Priority Area	3.0 A focussed and efficient Council co-producing excellent services
Directorate	Resources

Executive Summary

The HR service currently has a controllable budget of c.£4.8m (gross budget £6.1m) and there are agreed savings of £1.5m to be delivered by 2018-19. To deliver these savings the service will be undergoing a fundamental service transformation and current indications are that further efficiencies could be achievable by 2020-21 through organisation re-design and systems improvements.

Options Analysis

Option	Description Title	Benefits	Dis benefits	Risks	Current Annual Costs	Proposed Annual Savings (ROI)
1.	Additional staffing efficiencies.		Less resources to deliver HR service			£100k

Recommended Option

Additional staffing savings through HR service redesign

Budget Projection and Staffing Impact

Service/Vote	Cost Centre	Base Budget £'000	Net Savings 2020-21 £'000		Original FTE	Total FTE reduction 2020-21
HR	Various		100			2

Project Title	Internal Audit – Streamline Management and Explore Shared Service Options
Reference	SAV/ RES 03 / 18-19
Strategic Priority Area	3.0 A focussed and efficient Council co-producing excellent services
Direktorate	Resources

Executive Summary

A shared service offers the opportunity to share the cost of management, particularly around sharing the cost of the Head of Audit, and to a lesser extent, the Audit Manager. A shared service offers the possibility of sharing ideas and best practice allowing internal audit to raise recommendations to improve council service. A shared service will also offer increased resilience when staff leave and place reliance on firms providing the service. The disadvantage of a shared service is that the capacity of the Head of Audit to be involved at the Council will decrease.

Options Analysis

Option	Description Title	Benefits	Dis benefits	Risks	Current Annual Costs	Proposed Annual Savings (ROI)
1	Shared Services	Sharing good practice and ideas across a group of local authorities and increased resilience	Capacity of senior audit professionals to engage with all organisations in the group and provide a strategic steer.	Shared service does not lead to perceived benefit / internal audit work not completed.	£525k	£50k

Recommended Option

Explore a shared audit service option and determine whether to pursue this option "in principle."

Budget Projection and Staffing Impact

Service/Vote	Cost Centre	Base Budget £'000	Net Savings 2020-21 £'000		Original FTE	Total FTE reduction 2020-21
R34	23320		£50k		9	0.5

Risks

Identified Risk	Trigger	Risk Approach	Owner	Score			Mitigation that will be developed into control measures
				Likelihood	Impact	Profile	
Shared service does not lead to perceived benefit / internal audit work not completed.	Poor internal audit delivery, unresponsive.	Treat	Minesh Jani	3	4	12	Ensure the arrangements meet expectation by developing a project plan

Red (Severe) (15+)	Amber (Significant) (10+)	Yellow (Material) (5+)	Green (Manageable) (up to 4)
Serious concern. Comprehensive Management action required immediately.	Significant concern. Some immediate action required plus comprehensive action plans.	Incidents of risk are of some concern although treating the risk will usually be through contingency planning. Risk to be kept under regular monitoring	The risk is relatively however risk should be monitored.

Project Title	Revenue Services – Workforce efficiencies through greater self-service and automation
Reference	SAV/ RES 04 / 18-19
Strategic Priority Area	3.0 A focussed and efficient Council co-producing excellent services
Directorate	Resources

Executive Summary

The proposal is to conduct a comprehensive process review of the Council's Revenue Services, which will aim to automate and digitise services and promote self-service options. This will remove the need for manual interventions thereby delivering savings through reduced spend on staffing resources.

Options Analysis

Option	Description Title	Benefits	Dis benefits	Risks	Current Annual Costs	Proposed Annual Savings (ROI)
1	Revenue Services Process Review	To improve self-service options and digital contact	None	Low take up of self service options	£1,918,132	£100,000

Recommended Option

To be developed through review of the service and processes. This should include better use of digital and telephone options to reduce manual/face to face interactions.

Budget Projection and Staffing Impact

Service/Vote	Cost Centre	Base Budget £'000	Net Savings 2020-21 £'000		Original FTE	Total FTE reduction 2020-21
Council Tax	23410	£1,918	100		34	3

Risks

Identified Risk	Trigger	Risk Approach	Owner	Score			Mitigation that will be developed into control measures
				Likelihood	Impact	Profile	
Self Service take up and process redesign does not work	Low take up		Roger Jones	2	2	4	Promotion of service and other access routes taken away

Red (Severe) (15+)	Amber (Significant) (10+)	Yellow (Material) (5+)	Green (Manageable) (up to 4)
Serious concern. Comprehensive Management action required immediately.	Significant concern. Some immediate action required plus comprehensive action plans.	Incidences of risk are of some concern although treating the risk will usually be through contingency planning. Risk to be kept under regular monitoring	The risk is relatively however risk should be monitored.

Project Title	ICT Savings
Reference	SAV/ RES 05 / 18-19
Strategic Priority Area	3.0 A focussed and efficient Council co-producing excellent services
Directorate	Resources

Executive Summary

The proposal is to review approaches to how ICT service provision is delivered. The end of the initial term of the contract with our ICT partner provides an opportunity to review the arrangements for aspects of ICT service provision including project management, application support and third party management with a view to exploring more cost effective options.

Options Analysis

Option	Description Title	Benefits	Dis benefits	Risks	Current Annual Costs	Proposed Annual Savings (ROI)
1	Continue as is	Continuity of service	No savings.	Continuing or increasing costs	£7.7m	0
2	Implement simple changes	Continuity of service with some savings	Only proportion of potential savings,	Difficult to achieve balance between cost and service.	£7.7m	£100,000
3	Full review and implementation of changes	Full savings from these areas and a new integrated model for delivery.	Effort and costs to fully review and implement changes.	Change and potential disruption to service.	£7.7m	£750,000

Recommended Option

A full review of all aspects of ICT provision (option 3) will be undertaken with a view to achieving a new integrated model while delivering savings.

Budget Projection and Staffing Impact

Service/Vote	Cost Centre	Base Budget £'000	Net Savings 2020-21 £'000		Original FTE	Total FTE reduction 2020-21
Resources / IT						No predicated on FTE reduction.

Risks

Identified Risk	Trigger	Risk Approach	Owner	Score			Mitigation that will be developed into control measures
				Likelihood	Impact	Profile	
Service disruption	Inadequate change management	Treat Tolerate	DDIT	1	2	3	Engage change manager, early engagement with staff, supplier and stakeholders. Accept there will be some disruption communicate accordingly.
Service disruption	Staffing challenges	Tolerate Treat	DDIT	2	3	5	Treat by scheduling work accordingly and being ready to engage with interims as required.
Service disruption	Skills challenges	Treat	DDIT	1	3	3	Early engagement to identify requirements, plan training, manage HR issues.
Delays	Supplier delays	Treat	DDIT	1	5	5	Early engagement with suppliers to provide maximum time to iron out problems. Consider alternatives where possible.
Costs in transition	Contract variations	Treat	DDIT	1	5	5	Engage contract manager with extensive experience in novation. Consider alternatives where possible.

Red (Severe) (15+)	Amber (Significant) (10+)	Yellow (Material) (5+)	Green (Manageable) (up to 4)
Serious concern. Comprehensive Management action required immediately.	Significant concern. Some immediate action required plus comprehensive action plans.	Incidents of risk are of some concern although treating the risk will usually be through contingency planning. Risk to be kept under regular monitoring	The risk is relatively however risk should be monitored.

Project Title	Finance Services – Process improvements and new Finance System Implementation
Reference	SAV/ RES 06 / 18-19
Strategic Priority Area	3.0 A focussed and efficient Council co-producing excellent services
Directorate	Resources

Executive Summary

Review and implementation of a new finance system is expected to deliver additional savings through system and process efficiencies in finance.

Options Analysis

Option	Description Title	Benefits	Dis benefits	Risks	Current Annual Costs	Proposed Annual Savings (ROI)
1.	Additional staffing efficiencies.		Less resources to deliver HR service			£100k

Recommended Option

To be developed through service design and new system.

Budget Projection and Staffing Impact

Service/Vote	Cost Centre	Base Budget £'000	Net Savings 2020-21 £'000	Original FTE	Total FTE reduction 2020-21
Finance	Various		100		2

Project Title	Income Through Wifi Concession Contract
Reference	SAV/ RES 07 / 18-19
Strategic Priority Area	3.0 A focussed and efficient Council co-producing excellent services
Directorate	Resources

Executive Summary

The Council is embarking on a 'Public WiFi for All' programme. Cabinet considered a report on this on the 27th June 2017. The project will enable Connectivity Providers access to Council owned assets on a non-exclusive basis, and give them permission to deploy technology and fibre, at their own cost and in return for a fee to the Council, thereby improving local connectivity capacity and coverage.

The use of a concession arrangement will also enable the Council to generate revenue from allowing Providers access to our assets.

Budget Projection and Staffing Impact

Service/Vote	Cost Centre	Base Budget £'000	Net Savings 2020-21 £'000	Original FTE	Total FTE reduction 2020-21
Various	Various	N/A	300		

Project Title	Income Through Housing Companies
Reference	SAV/ RES 08 / 18-19
Strategic Priority Area	3.0 A focussed and efficient Council co-producing excellent services
Directorate	Resources

Executive Summary

In February 2017 Cabinet agreed to establish two housing delivery vehicles, in order to expand the range of options available to the Council to deliver new supply across tenures, both permanent and temporary homes, with the two vehicles designed to operate in tandem:

1. A Wholly Owned Company (WOC) with a commercial purpose to provide homes for rent and sale, returning a dividend to the Council from long term profit-making activities; and
2. A charitable Community Benefit Society (CBS) to provide homes for sub-market rent, subsidised by grant of land and retained Right To Buy receipts, made possible by governance arrangements within which the Council holds a minority position.

Initial assumption are that the WOC is expected to generate at least £250k per annum from 2020-21.

Recommended Option

Income generation through a wholly owned housing company.

Budget Projection and Staffing Impact

Service/Vote	Cost Centre	Base Budget £'000	Net Savings 2020-21 £'000		Original FTE	Total FTE reduction 2020-21
Housing (GF)	Various	n/a	250			

Project Title	THH - Potential Support Service Savings
Reference	SAV/ RES 09 / 18-19
Strategic Priority Area	3.0 A focussed and efficient Council co-producing excellent services
Directorate	Resources

Executive Summary

The Council will explore options for the future management of its housing stock in the borough including the option to bring Tower Hamlets Homes (THH) back in house.

It is anticipated that the review will identify opportunities to rationalise and streamline support service processes and teams, including HR, Finance, ICT and other support services with a view to delivering at least £100k per annum general fund savings from 2020-21.

Any saving is dependent on the outcome of the review.

Budget Projection and Staffing Impact

Service/Vote	Cost Centre	Base Budget £'000	Net Savings 2020-21 £'000	Original FTE	Total FTE reduction 2020-21
Housing	Various	TBC	100	TBC	TBC

Project Title	Additional Local Presence Efficiencies
Reference	SAV/ RES 10 / 18-19
Strategic Priority Area	3.0 A focussed and efficient Council co-producing excellent services
Directorate	Resources

Executive Summary

Further local presence and customer access improvements - (1) continue to develop/drive/encourage take up of digital services to further reduce demand for phone and face-to-face contact, thus enabling further staffing reductions (2) investigate options for including Clean & Green call handling within new refuse & recycling contract (3) consider moving to digital-only access for appropriate service areas

Budget Projection and Staffing Impact

Service/Vote	Cost Centre	Base Budget £'000	Net Savings 2020-21 £'000	Original FTE	Total FTE reduction 2020-21
Various	Various	TBC	300		

Project Title	Treasury Management Investment Opportunities
Reference	SAV/ CORP 01 / 18-19
Strategic Priority Area	3.0 A focussed and efficient Council co-producing excellent services
Directorate	Resources

Executive Summary

Historically the Council has invested its cash balances over shorter terms in institutions to maintain the capital value of the investment. With interest rates at historically low levels, the Council is only earning around 0.6% on investment balances which currently total over £400m and this level of return is below inflationary increases.

Latest cash flow forecasts indicate that the total value of these cash/investment balances will not be spent for at least five years, and thus it is proposed that the Council considers longer term investments into bonds, property and equity funds to generate higher investment returns over the longer term. However these potential investments will have a higher risk and could show short-term losses in value until values recover in the long-term.

The Council's new treasury advisor, Arlingclose is working with officers to develop a diversified strategy, within an acceptable risk appetite, to generate increased investment returns on the investment portfolio and an additional income target of up to £1.458m is estimated to be achievable. A range of risk levels will be considered.

Some property and equity investments have seen strong growth in recent years, therefor there is a risk that investment values might fall in the short-term.

Budget Projection and Staffing Impact

Service/Vote	Cost Centre	Base Budget £'000	Net Savings 2018-19 £'000		Original FTE	Total FTE reduction 2020-21
	23195		1,458		nil	nil

Risks

Identified Risk	Trigger	Risk Approach	Owner	Score			Mitigation that will be developed into control measures
				Likelihood	Impact	Profile	
Investment values fall	Financial market downturn	Maintain investment to avoid crystallising losses with expectation that investment values will recover in time.		2	2	4	Diversified investment strategy
Borrowing requirement as long term investments have tied up cash balances	Capital spend increasing in short-term	Cash flow forecasts to be monitored		1	1	1	Short-term borrowing might be required to cover cash flow requirements

Red (Severe) (15+)	Amber (Significant) (10+)	Yellow (Material) (5+)	Green (Manageable) (up to 4)
Serious concern. Comprehensive Management action required immediately.	Significant concern. Some immediate action required plus comprehensive action plans.	Incidents of risk are of some concern although treating the risk will usually be through contingency planning. Risk to be kept under regular monitoring	The risk is relatively however risk should be monitored.

Project Title	Contract Management Efficiencies
Reference	SAV/ CORP 02 / 18-19
Strategic Priority Area	3.0 A focussed and efficient Council co-producing excellent services
Directorate	Resources

Executive Summary

The Council spends over £320million every year on goods and services with a current supplier base of approximately 2,743 suppliers. Whilst, the recent improvements implemented will result in better visibility of our spend, a number of concerns remains with the devolved activity including; Quality of specifications; lack of aggregation of demand resulting inability to secure VFM and lack of procurement skills and experience of buyers resulting in compliance issues. The savings initiatives have been broadly categorised across the following three key areas.

- Category Management
- Commercial and Policy Changes
- Contract Efficiencies/SRM

Category Management

Extending the existing category management approach to all devolved procurement expenditure to ensure leverage is obtained from the appropriate shaping of demand and the aggregated purchase of common requirements across the organisation.

Commercial and Policy Changes

This theme focusses on reviewing Councils historic approach to the use of quality and price weighting in our tenders, use of framework contracts and e-auctions. Frameworks as a procurement route are becoming the default strategy for approaching the market rather than an option to be considered if other options do not provide a better solution. Frameworks always cost money to use (a levy) and this levy is in the region of 0.5 to 5% (1% to 3% is the more common range). However, that means that when used, the contracts we secure have that added premium on the prices we pay and it should not always be assumed that this represents best value for money.

Contract Efficiencies and Supplier Relationship Management

A forward plan of our high value procurement activity to 2022 has been developed and a high level review of contract management across the organisation is underway. The outcome of this piece of work will assist in developing potential options to secure further efficiencies from our current approach to contract management as well investigate opportunity to initiate a broader renegotiation of our high value contracts.

Options Analysis

Option	Description Title	Benefits	Dis benefits	Risks	Current Annual Costs	Proposed Annual Savings (ROI)
1	Continue as is	Continuity of service	No savings. Commercial arrangement hinders operational, tactical and strategic agility.	Increasing costs based on day rates and percentage of spent	0	0
2	Expand Category Management and strengthen Contract Management	Greater level of spend under contract with improved supplier relations	None	Unwillingness from directorate to take ownership of new contracts or support further renegotiation of existing contract	£320m	£4.250m

Option	Description Title	Benefits	Dis benefits	Risks	Current Annual Costs	Proposed Annual Savings (ROI)
3	Centralise all cross Directorate contracts	Direct operational, tactical and strategic control to align with council priorities. Full savings from these areas.	Additional resource cost to manage centrally. In some instance officers managing contracts also responsible for managing day to day service provision	Disjoint between central team and operational service delivery		

Recommended Option

Option 2 – Extend Category Management and Initiate Supplier Relationship Management programme to increase spend under contract as well launch a renegotiations of existing contracts to secure further efficiencies.

Budget Projection and Staffing Impact

Service/Vote	Cost Centre	Base Budget £'000	Net Savings 2020-21 £'000		Original FTE	Total FTE reduction 2020-21
Supplies and Services	Various	c.£320m	£4,250m			N/A

**The Council's 2018-19 Budget Report and
Medium Term Financial Strategy 2018-21**

Appendix 5

RESERVES POLICY

Reserves Policy

1. Background and Context

- 1.1. Sections 32 and 43 of the Local Government Finance Act 1992 require local authorities to consider the level of reserves when setting a budget requirement. Section 25 of the Local Government Act 2003 requires the Chief Financial Officer (Section 151 Officer) to report formally on the adequacy of proposed reserves when setting a budget requirement. The accounting treatment for reserves is set out in the Code of Practice on Local Authority Accounting.
- 1.2. CIPFA has issued Local Authority Accounting Panel (LAAP) Bulletin No.55, Guidance Note on Local Authority Reserves and Balances and LAAP Bulletin 99 (Local Authority Reserves and Provisions). Compliance with the guidance is recommended in CIPFA's Statement on the Role of the Chief Financial Officer in Local Government.
- 1.3. This policy sets out the Council's approach for compliance with the statutory regime and relevant non-statutory guidance.
- 1.4. Reserves are an important part of the Council's financial strategy and are held to create long-term budgetary stability. They enable the Council to manage change without undue impact on the Council Tax and are a key element of its strong financial standing and resilience. The Council's key sources of funding face an uncertain future and the Council therefore holds earmarked reserves and a working balance in order to mitigate future financial risks.
- 1.5. Earmarked reserves are reviewed annually as part of the budget process, to determine whether the original purpose for the creation of the reserve still exists and whether or not the reserves should be released in full or in part. Particular attention is paid in the annual review to those reserves whose balances have not moved over a three year period.

2. Overview

- 2.1. The Council's overall approach to reserves will be defined by the system of internal control. The system of internal control is set out, and its effectiveness reviewed, in the Annual Governance Statement. Key elements of the internal control environment are objective setting and monitoring, policy and decision-making, compliance with statute and procedure rules, risk management, achieving value for money, financial management and performance management.
- 2.2. The Council will maintain:
 - a general fund general reserve;
 - a housing revenue account (HRA) general reserve; and
 - a number of earmarked reserves.
- 2.3. Additionally the Council is required to maintain ***unusable*** reserves to comply with accounting requirements although, as the term suggests, these reserves are not available to fund expenditure.
- 2.4. The level of the general reserve is a matter for the Council to determine having had regard to the advice of the S151 Officer. The level of the reserve will be a matter of judgement which will take account of the specific risks identified through the various corporate processes. It will also take account of the extent to which specific risks are supported through earmarked reserves. The level will be expressed as a cash sum over the period of the general fund medium-term financial strategy. The level will also be expressed as a percentage of the general funding requirement (to provide an indication of financial context).
- 2.5. In principle, only the income derived from the investment of reserve funds should be available to support recurring spending.

3. Strategic context

- 3.1. The Council is facing a significant withdrawal of grant funding and the transfer of funding risk from Government with demand for at least some services forecast to grow. The Council has to annually review its priorities in response to these issues.
- 3.2. Reserves play an important part in the Council's medium term financial strategy and are held to create long-term budgetary stability. They enable the Council to manage change without undue impact on the Council Tax and are a key element of its strong financial standing and resilience.
- 3.3. The Council holds reserves in order to mitigate future risks, such as increased demand and costs; to help absorb the costs of future liabilities; and to enable the Council to resource policy developments and initiatives without a disruptive impact on Council Tax.
- 3.4. Capital reserves play a crucial role in funding the Council's Capital Strategy. The Capital Expenditure Reserve is used to create capacity to meet future capital investment.
- 3.5. The Council relies on interest earned through holding reserves to support its general spending plans.
- 3.6. Reserves are one-off money. The Council aims to avoid using reserves to meet ongoing financial commitments other than as part of a sustainable budget plan. The Council has to balance the opportunity cost of holding reserves in terms of Council Tax against the importance of interest earning and long term future planning.

4. Purposes

- 4.1. Reserves are therefore held for the following purposes, some of which may overlap:
 - Providing a working balance i.e. Housing Revenue Account and General Fund general reserves.
 - Smoothing the impact of uneven expenditure profiles between years e.g. local elections, structural building maintenance and carrying forward expenditure between years.
 - Holding funds for future spending plans e.g. Capital Expenditure Reserve, and for the renewal of operational assets e.g. repairs and renewal, and Information Technology renewal.
 - Meeting future costs and liabilities where an accounting 'provision' cannot be justified.
 - Meeting future costs and liabilities so as to cushion the effect on services e.g. The Insurance Reserve for self-funded liabilities arising from insurance claims.
 - To provide resilience against future risks.
 - To create policy capacity in a context of forecast declining future external resources e.g. Tackling Poverty Reserve.
- 4.2. All earmarked reserves are held for a specific purpose. This, together with a summary on the movement on each reserve, is published annually, to accompany the annual Statement of Accounts.
- 4.3. The use of some reserves is limited by regulation e.g. the Collection Fund balance must be set against Council Tax levels, reserves established through the Housing Revenue Account can only be applied within that account and the Parking Reserve can only be used to fund specific spending. Schools reserves are also ring-fenced for their use, although there are certain regulatory exceptions.

5. Management

- 5.1. All reserves are reviewed as part of the budget preparation, financial management and closing processes. The Council will consider a report from the S151 Officer on the adequacy of the reserves in the annual budget-setting process. The report will contain estimates of reserves where necessary. The Audit Committee will consider actual reserves when approving the statement of accounts each year.

5.2. The following matters apply to individual reserves:

- The General Fund working balance will not fall below £20 million without the approval of The Council.
- The Capital Expenditure Reserve is applied to meet future investment plans and is available either to fund investment directly or to support other financing costs. The reserve can also be used for preliminary costs of capital schemes e.g. feasibility.
- The Parking Reserve will be applied to purposes for which there are specific statutory powers. This is broadly defined as transport and environmental improvements (the latter as defined in the Traffic Management Act 2004).
- The Schools Reserve, the Insurance Reserve, and the Barkantine (PFI Reserve) are clearly defined and require no further authority for the financing of relevant expenditure.

5.3. The Council will review the Reserves Policy on an annual basis.

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Appendix 6

RISK EVALUATION

Risks	Budget Exposure	2018-19 Onwards	
		Medium Risk	High Risk
	£m	£m	£m
General Economic Climate			
Inflation	272	2.7	5.4
Tax base	230	2.3	4.6
Fees and charges	36	0.4	0.7
Grant funding (exc. ring fenced grants)	95	1.0	1.9
Fraud	0	0.5	1.0
Service Demand (inc. ring fenced grants)			
Children's Services	107	1.1	2.1
Adult Services	105	1.1	2.1
Demographics	100	2.0	4.0
Welfare Reform	0	1.7	5.0
Public Health transfer	36	0.4	0.7
Savings programme			
Slippage and non-achievement of savings	36	3.6	5.4
Cost of implementation	20	2.0	4.0
Unidentified risks	0	3.0	5.0
TOTAL RISK EVALUATION		21.6	42.1

**The Council's 2018-19 Budget Report and
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Appendix 7

PROJECTED MOVEMENT IN RESERVES

Projected Movement in Reserves April 2017 to March 2021

Appendix 7

	31-03-2017 £m	31-03-2018 £m	31-03-2019 £m	31-03-2020 £m	31-03-2021 £m
General Fund Reserve	31.7	32.3	27.1	26.2	26.5
Earmarked Reserves					
Insurance	20.8	20.8	20.8	20.8	20.8
New Civic Centre	20.0	19.0	9.0	0.0	0.0
Parking Control	3.3	3.3	3.3	3.3	3.3
Transformation Reserve	25.0	19.2	12.5	6.9	1.6
ICT Reserve	23.1	20.0	15.0	10.0	5.0
Mayor's Tackling Poverty Reserve	5.0	4.0	2.3	0.7	0.0
Free School Meals Reserve	6.0	4.0	2.0	0.0	0.0
Mayor's Priority Investment Reserve	10.0	6.9	4.0	1.3	0.0
Risk Reserve	10.5	10.5	6.4	5.7	5.3
New Homes Bonus	7.3	1.3	1.3	1.3	1.3
Services Reserve	3.7	2.7	1.7	1.7	1.7
Other Reserves					
Housing Revenue Account	39.1	51.4	59.7	23.9	12.3
Schools	24.7	24.7	24.7	24.7	24.7
Capital					
Capital grants unapplied	82.0	77.0	74.0	74.0	74.0
Capital Receipts reserve	156.8	151.8	146.8	141.8	28.4
Major Repairs Reserve	9.5	9.5	9.5	9.5	9.5
	469.0	449.0	410.6	342.2	204.8

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Appendix 8

HOUSING REVENUE ACCOUNT

Appendix 8A

MEDIUM TERM FINANCIAL PLAN 2018-19 – 2022-23

INDICATIVE HRA BUDGETS

Housing Revenue Account	2018-19	2019-20	2020-21	2021-22	2022-23
	Draft Budget £'000				
INCOME					
Dwelling & non dwelling rents	(68,790)	(68,935)	(71,396)	(72,781)	(73,818)
Tenant & Leaseholder service charges	(20,842)	(21,446)	(22,002)	(22,442)	(22,928)
General Fund contributions	(115)	(115)	(115)	(115)	(115)
GROSS INCOME	(89,747)	(90,496)	(93,514)	(95,339)	(96,861)
EXPENDITURE					
Repairs & Maintenance	22,719	23,041	23,496	23,856	24,293
Supervision & Management	25,167	25,021	25,244	25,373	25,397
Special Services, Rents rates & taxes	15,732	15,797	15,284	15,467	15,654
Increased/(Decrease) provision for bad debts	600	700	700	700	700
Capital Financing charges	18,530	18,589	19,347	20,597	21,330
Sale of High Value Voids levy	0	8,400	8,820	9,261	9,724
GROSS EXPENDITURE	82,746	91,548	92,891	95,254	97,099
NET COST OF HRA SERVICES	(7,001)	1,052	(623)	(85)	238
Investment Income received	(1,240)	(692)	(470)	(378)	(316)
Appropriations					
Revenue Contribution to Capital Outlay (RCCO)	0	35,450	12,700	0	0
NET POSITION	(8,241)	35,810	11,607	(463)	(78)
Balances					
Opening balance	(54,278)	(62,519)	(26,709)	(15,102)	(15,565)
(Surplus)/ Deficit on HRA	(8,241)	35,810	11,607	(463)	(78)
Closing balance	(62,519)	(26,709)	(15,102)	(15,565)	(15,643)

Appendix 8B

INDICATIVE THH HOUSING CAPITAL PROGRAMME 2018-19 – 2022-23

Budget Areas	2018-19 (£'000)	2019-20 (£'000)	2020-21 (£'000)	2021-22 (£'000)	2022-23 (£'000)
Better Neighbourhoods Programme	13,547	16,534	15,346	11,577	10,372
Fire Safety	7,265	8,909	5,107	3,875	1,672
Estate Improvements/Curtilage	100	100	100	100	100
Lifts	3,041	2,747	3,155	3,119	2,960
Door Entry	2,100	915	2,025	2,423	75
Door Entry New Install (G/Floor)	750	750	-	-	-
Mechanical (Boosted Water, Communal Vents, Water Tanks)	350	350	350	350	350
Communal Heating	1,000	3,007	3,030	2,086	1,035
Electrical Heat metering	100	100	100	100	100
Aerials/IRS	90	90	90	90	90
Planned Domestic Boiler Replacement	1,467	1,467	1,467	1,467	1,467
Emergency Domestic Boilers	200	200	200	200	200
Compliance Surveys	200	100	50	50	50
Communal Play Areas	50	50	50	50	50
Capitalised Voids	1,450	1,450	1,450	1,450	1,450
Aids & Adaptations	500	500	500	500	500
Overcrowding Initiatives	100	100	100	100	100
Contingency	500	500	500	500	500
Project Management fees	3,636	3,636	3,636	3,636	3,636
Total	36,446	41,504	37,255	31,672	24,706
Over Programming (30%)	(10,934)	(12,452)	(11,177)	(9,502)	(7,412)
Revised Total	25,512	29,054	26,079	22,171	17,295

**The Council's 2018-19 Budget Report and
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Appendix 9

CAPITAL PROGRAMME

Current Capital Programme 2017-18 to 2027-28

Appendix 9A

Scheme Description	Programme	Strategic Priority Outcome	Priority Areas for Capital Investments	2017-18 Budget £m	2018-19 Budget £m	2019-20 Budget £m	2020-21 Budget £m	2021-22 Budget £m	2022-23 Budget £m	2023-24 Budget £m	2024-25 Budget £m	2025-26 Budget £m	2026-27 Budget £m	2027-28 Budget £m	2017-18 to 2027-28 Total Budget £m	
Health, Adults & Community																
Telecare/Telehealth Equipment	Tele Care/Telehealth Equipment	1.3 People access joined-up services when they need them and feel healthier and independent	Health Facilities	0.097												0.097
Occupational Therapy Suite	Occupational Therapy Suite	1.3 People access joined-up services when they need them and feel healthier and independent	Health Facilities	0.001												0.001
Aberfeldy Practice - Improvements to Health Infrastructure	Public Health	1.3 People access joined-up services when they need them and feel healthier and independent	Health Facilities	-			1.400	1.600								3.000
Andrew Street - Reduce Tarmac & Paving	Public Health	1.3 People access joined-up services when they need them and feel healthier and independent	Health Facilities	0.240												0.240
Bow School - Landscaping & Create Access	Public Health	1.3 People access joined-up services when they need them and feel healthier and independent	Health Facilities	0.283												0.283
Buxton Street East - Tree Planting and Park Entrance	Public Health	1.3 People access joined-up services when they need them and feel healthier and independent	Health Facilities	0.240												0.240
Buxton Street West - Landscaping	Public Health	1.3 People access joined-up services when they need them and feel healthier and independent	Health Facilities	0.200												0.200
Goodmans Fields - Improvements to Health Infrastructure	Public Health	1.3 People access joined-up services when they need them and feel healthier and independent	Health Facilities	-	0.245	2.827	0.337									3.409
Sutton Wharf - Improvements to Health Infrastructure	Public Health	1.3 People access joined-up services when they need them and feel healthier and independent	Health Facilities	0.229	2.305	0.585										3.119
Various Sites - Improvement Works	Public Health	1.3 People access joined-up services when they need them and feel healthier and independent	Health Facilities	1.051												1.051
William Cotton Place - Fit Out	Public Health	1.3 People access joined-up services when they need them and feel healthier and independent	Health Facilities	0.978												0.978
Wedcoat Youth Centre - Vibrance Relocation	Condition	1.3 People access joined-up services when they need them and feel healthier and independent	Council Owned Buildings	0.004												0.004
Health, Adults & Community Total				3.322	2.550	3.412	1.737	1.600	-	-	-	-	-	-	12.621	
Children's Services																
Arnhem Wharf - Expansion	Basic Need/Expansion	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Primary	0.007												0.007
Bow Primary School SEN Provision and PRU	Basic Need/Expansion	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Primary	-	1.100	2.500	2.500	1.500	1.500							9.100
Bow School - Expansion	Basic Need/Expansion	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Primary	0.466												0.466
George Green's - 6th form Expansion	Basic Need/Expansion	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Other	0.100	0.200	4.570	0.130									5.000
Langdon Park - 6th Form Expansion	Basic Need/Expansion	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Other	0.090	0.190	3.610	0.110									4.000
London Dock - Expansion	Basic Need/Expansion	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education - Secondary	0.650		1.879	1.114									3.643
Milharbour Priamry School	Basic Need/Expansion	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Primary	-				0.300	3.950							4.250
Olga Primary School Expansion	Basic Need/Expansion	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Primary	1.493	0.108											1.601
Raines Foundation School	Basic Need/Expansion	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Primary	1.260	0.300	2.000	0.440									4.000
St Paul's Way Trust School Expansion	Basic Need/Expansion	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Other	3.677	1.469											5.146
Stebon Expansion Scheme	Basic Need/Expansion	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Primary	0.031												0.031

Current Capital Programme 2017-18 to 2027-28

Appendix 9A

Scheme Description	Programme	Strategic Priority Outcome	Priority Areas for Capital Investments	2017-18 Budget £m	2018-19 Budget £m	2019-20 Budget £m	2020-21 Budget £m	2021-22 Budget £m	2022-23 Budget £m	2023-24 Budget £m	2024-25 Budget £m	2025-26 Budget £m	2026-27 Budget £m	2027-28 Budget £m	2017-18 to 2027-28 Total Budget £m	
Stepney - 6th Form Expansion	Basic Need/Expansion	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Other	3.492												3.492
Various - Scheme Development	Basic Need/Expansion	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Other	0.400												0.400
Westferry Secondary School	Basic Need/Expansion	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education - Secondary	-	0.200	0.500	1.300	1.000								3.000
Wood Wharf Primary School	Basic Need/Expansion	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Primary	0.090		0.225	3.475	1.000	0.210							5.000
Woolmore Primary School Expansion	Basic Need/Expansion	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Primary	0.005												0.005
Arnhem Wharf Primary - Urgent Lift Works	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Primary	0.019												0.019
Bangabandhu Primary School - Re-roofing Phase 2	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Primary	0.260												0.260
Ben Jonson - Phoenix Classes	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Primary	0.150												0.150
Ben Jonson Primary - Hygiene Room	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Primary	0.001												0.001
Blue Gate Fields Infants School - Roofing Phase 1	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Primary	0.019												0.019
Bow Secondary School	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education - Secondary	-	1.500	1.500										3.000
Bow Secondary School - 6th Form Extension	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Other	0.200												0.200
Cromley Hall - Brickworks	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Other	0.055												0.055
Canon Barnett - Boiler Replacement	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Primary	0.035												0.035
Canon Barnett - Boiler Replacement Phase 2	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Primary	0.001												0.001
Cherry Tree Special Needs Primary School- Replace hot and cold water system	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Other	0.035												0.035
Cubitt Town - Boundary Wall Phase 2	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Primary	0.030												0.030
Cubitt Town Primary - Accessibility Improvements	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Primary	0.007												0.007
Cubitt Town Primary - Replace Boundary Wall	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Primary	0.014												0.014
Eva Armsby - Improvement Works	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Other	0.015												0.015
Globe Primary School - Replace Heating & Hot Water Boilers	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Primary	0.165												0.165
Hague Primary - Replace Gas fired hot water boilers	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Primary	0.025												0.025
Halley Primary - Replace boilers	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Primary	0.080												0.080
Halley Primary School - Gate works	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Primary	0.012												0.012
Halley Primary School - Replace Distribution Boards	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Primary	0.030												0.030

Scheme Description	Programme	Strategic Priority Outcome	Priority Areas for Capital Investments	2017-18 Budget £m	2018-19 Budget £m	2019-20 Budget £m	2020-21 Budget £m	2021-22 Budget £m	2022-23 Budget £m	2023-24 Budget £m	2024-25 Budget £m	2025-26 Budget £m	2026-27 Budget £m	2027-28 Budget £m	2017-18 to 2027-28 Total Budget £m	
Harbinger School - Brickwork	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Primary	0.059												0.059
Harpley School - Urgent Lift Works	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Primary	0.028												0.028
Harry Gosling - Feasibility	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Primary	0.005												0.005
Harry Roberts Nursery School - Water main replacement	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Primary	0.015												0.015
Hermitage Primary - Hygiene Room	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Primary	0.031												0.031
Hermitage Primary School - Replace Hot Water Boilers	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Primary	0.105												0.105
Hermitage Primary School - Re-roofing Phase 2	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Primary	0.200												0.200
Ian Mikardo High Special Needs School - Roofing	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Other	0.052												0.052
John Scurr Primary- Hygiene Rooms	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Primary	0.032												0.032
John Scurr Primary School - Fire Alarm Upgrade	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Primary	0.060												0.060
Langdon Park - 6th Form Accommodation	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Other	0.006												0.006
Marion Richardson - Site Security Works	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Primary	0.001												0.001
Marner - Re-roofing Phase 2	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Primary	0.210												0.210
Marner Primary - Foul Smell Invoice	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Primary	0.022												0.022
Marner Primary School - Sports Pitch	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Primary	0.186												0.186
Match funding for schools	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Other	0.029												0.029
Morpeth Secondary School - Structural Works to Wessex Centre	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education - Secondary	0.118												0.118
Oaklands Secondary School - Water Tanks	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education - Secondary	0.037												0.037
Oaklands Secondary School - Works and Upgrade to Passenger Lift	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education - Secondary	0.040												0.040
Osmani - Structural Works	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Primary	0.035												0.035
PFI Schools - Asbestos Removal	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Other	0.262												0.262
PFI schools - Various - Urgent Works	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Other	0.965												0.965
Programme Development	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Other	0.001												0.001
Programme Development 2017-18	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Other	0.250												0.250
Smithy Street School - Lead Pipework Replacement	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Primary	0.030												0.030

Current Capital Programme 2017-18 to 2027-28

Appendix 9A

Scheme Description	Programme	Strategic Priority Outcome	Priority Areas for Capital Investments	2017-18 Budget £m	2018-19 Budget £m	2019-20 Budget £m	2020-21 Budget £m	2021-22 Budget £m	2022-23 Budget £m	2023-24 Budget £m	2024-25 Budget £m	2025-26 Budget £m	2026-27 Budget £m	2027-28 Budget £m	2017-18 to 2027-28 Total Budget £m	
St Luke's Hygiene Room	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Primary	0.015												0.015
Stebon Primary School - Pool Hoist	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Primary	0.022												0.022
Stephen Hawking Special Needs Primary School - Building Alterations	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Other	3.937												3.937
Swanlea School - Fire Protection Works Phase 1 & 2	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education - Secondary	0.480												0.480
The Cherry Trees School - New Entrance & Family Support Facility	Conditions and Improvement	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Primary	0.221												0.221
Bishop Challoner - Community Facilities	Bishop Challoner	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Other	-				0.590								0.590
Barnardos	Provision for 2 year olds	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Other	0.079												0.079
Bethnal Green Gardens	Provision for 2 year olds	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Other	0.050												0.050
City Gateway - Gateway Tots	Provision for 2 year olds	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Other	0.051												0.051
Date Palm Primary	Provision for 2 year olds	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Other	0.005												0.005
Euston Walk - Integrated Early Years' Service	Provision for 2 year olds	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Other	0.077												0.077
Mile End Road	Provision for 2 year olds	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Other	0.039												0.039
Provision for 2 year olds - Whitehorse One O'clock Club	Provision for 2 year olds	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Other	0.030												0.030
Provisions - Statutory Duty	Provision for 2 year olds	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Other	1.007												1.007
Shining Futures	Provision for 2 year olds	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Other	0.024												0.024
St Matthias Community Play Centre	Provision for 2 year olds	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Other	0.038												0.038
Weavers Field Pre-School	Provision for 2 year olds	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Other	0.019												0.019
Winterton House Phase 2	Provision for 2 year olds	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Other	0.008												0.008
Albert Gardens	Parks	2.1 People live in a borough that is clean and green	Parks and Open Spaces	0.013												0.013
Bartlett Park - Playground activity	Parks	2.1 People live in a borough that is clean and green	Parks and Open Spaces	0.245	0.245											0.490
Bartlett Park Landscape Improvement Project	Parks	2.1 People live in a borough that is clean and green	Parks and Open Spaces	2.470	0.726											3.196
Bromley By Bow Recreation Ground	Parks	2.1 People live in a borough that is clean and green	Parks and Open Spaces	0.012												0.012
Cavell Street Gardens	Parks	2.1 People live in a borough that is clean and green	Parks and Open Spaces	0.100	0.100											0.200
Cemetery Park Lodge (Phase 2)	Parks	2.1 People live in a borough that is clean and green	Parks and Open Spaces	0.102												0.102
Christ Church Gardens	Parks	2.1 People live in a borough that is clean and green	Parks and Open Spaces	-		0.534										0.534
King Edward Memorial Park	Parks	2.1 People live in a borough that is clean and green	Parks and Open Spaces	0.192												0.192
King Edward Memorial Park	Parks	2.1 People live in a borough that is clean and green	Parks and Open Spaces	0.007	0.096	0.644	2.019	0.501								3.267
Poplar Park	Parks	2.1 People live in a borough that is clean and green	Parks and Open Spaces	0.042												0.042
Poplar Park & Jolly's Green	Parks	2.1 People live in a borough that is clean and green	Parks and Open Spaces	0.033												0.033

Current Capital Programme 2017-18 to 2027-28

Appendix 9A

Scheme Description	Programme	Strategic Priority Outcome	Priority Areas for Capital Investments	2017-18 Budget £m	2018-19 Budget £m	2019-20 Budget £m	2020-21 Budget £m	2021-22 Budget £m	2022-23 Budget £m	2023-24 Budget £m	2024-25 Budget £m	2025-26 Budget £m	2026-27 Budget £m	2027-28 Budget £m	2017-18 to 2027-28 Total Budget £m	
The Oval Space	Parks	2.1 People live in a borough that is clean and green	Parks and Open Spaces	0.158	0.040											0.198
Tree planting - Isle of Dogs	Parks	2.1 People live in a borough that is clean and green	Parks and Open Spaces	0.032												0.032
Trinity Square Gardens	Parks	2.1 People live in a borough that is clean and green	Parks and Open Spaces	0.023												0.023
Victoria Park Lodges	Parks	2.1 People live in a borough that is clean and green	Parks and Open Spaces	0.120	0.028											0.148
Victoria Park Sports Hub	Parks	2.1 People live in a borough that is clean and green	Parks and Open Spaces	0.019												0.019
Warner Green	Parks	2.1 People live in a borough that is clean and green	Parks and Open Spaces	0.024	0.024											0.048
Four Outdoor / Urban Gyms	Mayor's Priority - Parks and Open Spaces	1.3 People access joined-up services when they need them and feel healthier and independent	Health Facilities	0.017	0.173	0.010										0.200
Brick Lane Mural	Culture	2.1 People live in a borough that is clean and green	Leisure Provision	0.043												0.043
Ford Square	Culture	2.1 People live in a borough that is clean and green	Leisure Provision	-	0.139											0.139
John Orwell Sports Centre Astro-turf Development	Culture	2.1 People live in a borough that is clean and green	Leisure Provision	0.010												0.010
Langdon Park BMX	Culture	2.1 People live in a borough that is clean and green	Leisure Provision	0.050												0.050
Leisure Centre Improvements	Culture	1.3 People access joined-up services when they need them and feel healthier and independent	Leisure Provision	-	1.000	0.500										1.500
Middlesex Street	Culture	2.1 People live in a borough that is clean and green	Leisure Provision	0.119	0.120											0.238
Mile End Stadium Astro-turf Development	Culture	1.3 People access joined-up services when they need them and feel healthier and independent	Leisure Provision	0.233												0.233
Pocket Parks Project A12 Green Mile	Culture	2.1 People live in a borough that is clean and green	Leisure Provision	0.030												0.030
Pocket Parks Project Chicksand East	Culture	2.1 People live in a borough that is clean and green	Leisure Provision	0.048												0.048
Pocket Parks Project Marner Family	Culture	2.1 People live in a borough that is clean and green	Leisure Provision	0.017	0.017											0.034
Pocket Parks Project Ropewalk Gardens	Culture	2.1 People live in a borough that is clean and green	Leisure Provision	0.038												0.038
Shandy Park	Culture	2.1 People live in a borough that is clean and green	Leisure Provision	-	0.050											0.050
Victoria Park - Pools Playground Improvement	Culture	2.1 People live in a borough that is clean and green	Leisure Provision	0.074												0.074
Wapping Dock Realm Improvements	Culture	2.1 People live in a borough that is clean and green	Leisure Provision	0.046												0.046
Children's Services Total				26.115	7.824	18.473	11.978	7.951	1.710	-	-	-	-	-	74.051	

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Place																
Private Sector Improvement Grants	Private Sector Improvement Grants	2.2 People live in good quality and affordable homes and neighbourhoods	Housing	0.030	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.020	0.950
Disabled Facilities Grants	Disabled Facilities Grants	2.2 People live in good quality and affordable homes and neighbourhoods	Housing	1.417	1.257	1.257										3.931
DDA Related Access Works	Facilities Management - DDA works	3.0 A focussed and efficient Council co-producing excellent services	Council Owned Buildings	0.052												0.052
30 Challoner Walk	Community Hubs/Buildings	1.4 Inequality is reduced and people live in a cohesive community	Council Owned Buildings	0.735												0.735
Community Hubs/Buildings	Community Hubs/Buildings	1.4 Inequality is reduced and people live in a cohesive community	Council Owned Buildings	0.010												0.010
Granby Hall Community Hub	Community Hubs/Buildings	1.4 Inequality is reduced and people live in a cohesive community	Council Owned Buildings	0.020	0.880											0.900
Raine House Wapping Community Centre	Community Hubs/Buildings	1.4 Inequality is reduced and people live in a cohesive community	Council Owned Buildings	0.050	0.300	0.950										1.300
St. Andrews Community Centre	Community Hubs/Buildings	1.4 Inequality is reduced and people live in a cohesive community	Council Owned Buildings	0.020												0.020
TRAMSHED Digby Greenway Community Centre	Community Hubs/Buildings	1.4 Inequality is reduced and people live in a cohesive community	Council Owned Buildings	0.020												0.020
Barley Mow Project	S106 Schemes	2.1 People live in a borough that is clean and green	Other	0.014												0.014
Bow TfL	S106 Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.307												0.307
Brick Lane Regeneration	S106 Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.639												0.639
Bus Initiative	S106 Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.060												0.060

Current Capital Programme 2017-18 to 2027-28

Appendix 9A

Scheme Description	Programme	Strategic Priority Outcome	Priority Areas for Capital Investments	2017-18 Budget £m	2018-19 Budget £m	2019-20 Budget £m	2020-21 Budget £m	2021-22 Budget £m	2022-23 Budget £m	2023-24 Budget £m	2024-25 Budget £m	2025-26 Budget £m	2026-27 Budget £m	2027-28 Budget £m	2017-18 to 2027-28 Total Budget £m	
Carbon offsetting	S106 Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.305	0.305											0.610
Commercial Road	S106 Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.060	0.060											0.120
Crossharbour	S106 Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.080												0.080
Dora Hall and Cheadle Hall	S106 Schemes	2.1 People live in a borough that is clean and green	Council Owned Buildings	0.004												0.004
Millennium Quarter Public Art Project	S106 Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	-	0.087											0.087
Roman Road Regeneration Programme	S106 Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.168												0.168
Stepney City Farm Visitor Experience Improvements Project	S106 Schemes	2.1 People live in a borough that is clean and green	Leisure Provision	0.010												0.010
Stepney City Farm Water Efficiency Project	S106 Schemes	2.1 People live in a borough that is clean and green	Leisure Provision	0.025												0.025
Stepney Farm	S106 Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.122												0.122
TfL Cycle Hire	S106 Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.060												0.060
Whitechapel Delivery: Creating Open Spaces – Phase 1	S106 Schemes	2.1 People live in a borough that is clean and green	Parks and Open Spaces	0.070	0.070											0.140
Whitechapel Early Win Project	S106 Schemes	2.1 People live in a borough that is clean and green	Markets and High Street Improvements	0.053												0.053
Hackney Wick	Section 106 Passported Funding	2.1 People live in a borough that is clean and green	Other	1.000												1.000
Silvocea Way	Section 106 Passported Funding	2.1 People live in a borough that is clean and green	Other	0.025	0.025											0.050
St Katherine's Dock Practice	Section 106 Passported Funding	1.3 People access joined-up services when they need them and feel healthier and independent	Health Facilities	0.009												0.009
Wellington Way Health Centre	Section 106 Passported Funding	1.3 People access joined-up services when they need them and feel healthier and independent	Health Facilities	1.148	3.340	0.125										4.613
Purchase of properties for use as temporary / affordable accommodation	Purchase of Properties for use as temporary / affordable accommodation	2.2 People live in good quality and affordable homes and neighbourhoods	Housing	7.430	9.300	24.970	32.400	12.400	10.400	3.100						100.000
Purchase of properties for use as temporary accommodation	Purchase of Properties for use as temporary accommodation	2.2 People live in good quality and affordable homes and neighbourhoods	Housing	46.505	-											46.505
10 Turin Street	Conversion of council buildings to temporary accommodation	2.2 People live in good quality and affordable homes and neighbourhoods	Housing	0.010												0.010
Bethnal Green Cottage	Conversion of council buildings to temporary accommodation	2.2 People live in good quality and affordable homes and neighbourhoods	Housing	0.208	0.063											0.270
Conversion of council buildings to temporary accommodation	Conversion of council buildings to temporary accommodation	2.2 People live in good quality and affordable homes and neighbourhoods	Housing	0.300												0.300
Thomas Buxton PM Cottage	Conversion of council buildings to temporary accommodation	2.2 People live in good quality and affordable homes and neighbourhoods	Housing	0.045												0.045
HRA - Indicative Schemes – RP Grant Scheme	Registered Provider Grant Scheme (from 1-4-1)	2.2 People live in good quality and affordable homes and neighbourhoods	Housing	-	1.603											1.603
RP Grant Scheme - ARHAG Housing Association	Registered Provider Grant Scheme (from 1-4-1)	2.2 People live in good quality and affordable homes and neighbourhoods	Housing	0.200	0.271											0.471
RP Grant Scheme - East End Homes	Registered Provider Grant Scheme (from 1-4-1)	2.2 People live in good quality and affordable homes and neighbourhoods	Housing	0.257	0.350	0.350										0.957
RP Grant Scheme - Family Mosaic	Registered Provider Grant Scheme (from 1-4-1)	2.2 People live in good quality and affordable homes and neighbourhoods	Housing	0.295	0.864											1.159
RP Grant Scheme - Peabody	Registered Provider Grant Scheme (from 1-4-1)	2.2 People live in good quality and affordable homes and neighbourhoods	Housing	1.940												1.940
Thriving High Streets Programme	Thriving High Streets Pilot Programme	2.1 People live in a borough that is clean and green	Markets and High Street Improvements	0.200	0.800											1.000
PLACE - Indicative Schemes - Establish a Wholly Owned Company	Establish a Wholly Owned Company	2.2 People live in good quality and affordable homes and neighbourhoods	Housing	6.000												6.000
PLACE - Indicative Schemes - Establish a Community Benefit Society	Establish a Community Benefit Society	2.2 People live in good quality and affordable homes and neighbourhoods	Housing	2.500												2.500
PDC 229 Bethnal Green Rd	PDC 229 Bethnal Green Road	3.0 A focussed and efficient Council co-producing excellent services	Council Owned Buildings	1.670												1.670
ICT Infra - Beatrice Tate	BSF ICT Infrastructure	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	ICT Investments	0.041												0.041
ICT Infra - Swanlea	BSF ICT Infrastructure	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	ICT Investments	0.149												0.149
ICT Infra- Harpley PRU	BSF ICT Infrastructure	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	ICT Investments	0.063												0.063
ICT Infra- Oaklands	BSF ICT Infrastructure	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	ICT Investments	0.149												0.149

Scheme Description	Programme	Strategic Priority Outcome	Priority Areas for Capital Investments	2017-18 Budget £m	2018-19 Budget £m	2019-20 Budget £m	2020-21 Budget £m	2021-22 Budget £m	2022-23 Budget £m	2023-24 Budget £m	2024-25 Budget £m	2025-26 Budget £m	2026-27 Budget £m	2027-28 Budget £m	2017-18 to 2027-28 Total Budget £m	
ICT Infr-Cent Foundation	BSF ICT Infrastructure	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	ICT Investments	0.299												0.299
ICT Infr-Sir John Cass	BSF ICT Infrastructure	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	ICT Investments	0.276												0.276
"No entry except or cyclists" on existing one-way streets	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.005												0.005
Aldgate Connections	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.413												0.413
Belgrave Street	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.061												0.061
Ben Johnson Neighbourhood	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.296	0.200											0.496
Bow	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.136												0.136
Bridge Assessment & Strengthening	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.141												0.141
Bus Priority	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.050												0.050
Bus Priority Delivery - Cambridge Heath Road and Hackney Road	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.037												0.037
Bus Stop Accessibility Prog	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.040												0.040
Central London Grid Hackney Road – Boundary Road Cycle route	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.100												0.100
Chrisp St Corridor	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.300	0.150											0.450
Corbridge Crescent Bridge	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.038												0.038
Cycle Parking	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.153												0.153
Cycle Safety Hotspots	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.387	-											0.387
Cycle Strategy 2017	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.350												0.350
EV charging point feasibility	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.059												0.059
Green Grid	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.050												0.050
Greenway Quietway Route: Crown Close	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.100												0.100
Greenway Quietway Route: Implementation fee	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.010												0.010
Greenway Quietway Route: Wick Lane / Jodrell Road	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.100												0.100
Greenway Quietway Route: Wick Lane / Monier Road Underpass	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.150												0.150
Hackney Road to Calvert Avenue	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.054												0.054
Healthy Streets audits and design: Cotton St / Prestons Rd / West India Dock Rd	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.041												0.041
Historic Streets	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.271	0.050											0.321
Housing Zone – Complementary Measures	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.240	-											0.240
Housing Zone (GLA)	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.150	0.250											0.400
LED Bridge Height sign replacement	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.113												0.113
Legible London - TfL Corridors, neighbourhoods	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.033												0.033
Legible London 2017	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.075												0.075
LIP 3 Development	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.020												0.020
Local Accessibility	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.060												0.060
Manchester Road - Between Pelevna Street and Marsh Wall Junction	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.007												0.007
Motor Cycle Parking	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.010												0.010
Motor Cycles in Bus Lanes	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.005												0.005
Principal Road Network - Bethnal Green Road - Braithwaite & Buckfast	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.281												0.281

Scheme Description	Programme	Strategic Priority Outcome	Priority Areas for Capital Investments	2017-18 Budget £m	2018-19 Budget £m	2019-20 Budget £m	2020-21 Budget £m	2021-22 Budget £m	2022-23 Budget £m	2023-24 Budget £m	2024-25 Budget £m	2025-26 Budget £m	2026-27 Budget £m	2027-28 Budget £m	2017-18 to 2027-28 Total Budget £m	
Quietway 6: Arbury Road / Grove Road	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.045												0.045
Quietway 6: Bancroft Road / Warley Street	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.197												0.197
Quietway 6: Cadogan Place	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.003												0.003
Quietway 6: Gladstone Place / Galahad Mews	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.037												0.037
Quietway 6: Hepscott Road / Wallis Road	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.054												0.054
Quietway 6: Holton Street / Grantley Street	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.011												0.011
Quietway 6: Implementation fee	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.030												0.030
Quietway 6: Meath Gardens/Walter Street	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.002												0.002
Quietway 6: Mile End Park	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.007												0.007
Quietway 6: Old Ford Road / Armagh Road	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.143												0.143
Quietway 6: Parnell Road / Jodrell Road	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.096												0.096
Quietway 6: Roman Road / Cardigan Road / Arbery Road	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.003												0.003
Quietway 6: Sycamore Avenue / Cedar Close	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.012												0.012
Road Safety 2017	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.300												0.300
Rothbury Road - Full Length	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.005												0.005
Sustainable Drainage Scheme	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.031												0.031
Sydney Street	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.121												0.121
Tackling ASB Driving	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.050												0.050
TfL LIP to be Allocated	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	-	1.450	2.435	1.015									4.900
TfL Local Transport - Various	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.011												0.011
Wentworth Street	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.094												0.094
Zebra crossing halos (TfL C/N)	TfL Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.038												0.038
Garnet Street - Bridge Painting	Public Realm Improvements	2.1 People live in a borough that is clean and green	Other	0.024												0.024
Interim Depot Strategy	Public Realm Improvements	3.0 A focussed and efficient Council co-producing excellent services	Other	0.483												0.483
Petticoat Lane Market Improvements	Public Realm Improvements	2.1 People live in a borough that is clean and green	Markets and High Street Improvements	0.039	0.038											0.077
Streetlighting Replacement	Public Realm Improvements	2.1 People live in a borough that is clean and green	Other	0.300	3.000	4.000	4.000	3.700								15.000
Silvertown Planning Performance	Public Realm Improvements	2.1 People live in a borough that is clean and green	Other	0.060												0.060
100 Violet Road - Cycle and Pedestrian Improvement Project 2017	Transport S106 Funded Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	-	0.031											0.031
100 Whitechapel Road - Cycle and Pedestrian Improvement Project 2017	Transport S106 Funded Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.050												0.050
101-109 Fairfield Road	Transport S106 Funded Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.009	0.009											0.018
136-140 Wapping High Street - Cycle and Pedestrian Improvement Project 2017	Transport S106 Funded Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.048	0.049											0.097
15 - 17 Leman Street - Cycle and Pedestrian Improvement Project 2017	Transport S106 Funded Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.007	0.006											0.013
154-160 Hackney Road - Cycle and Pedestrian Improvement Project 2017	Transport S106 Funded Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.024												0.024
16-23 Salter Street	Transport S106 Funded Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.011	-											0.011
21 Wapping Lane	Transport S106 Funded Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.288												0.288
221 Burdett Road - Cycle and Pedestrian Improvement Project 2017	Transport S106 Funded Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	-	0.010											0.010
32-42 Bethnal Green Road	Transport S106 Funded Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.025	-											0.025
397-411 Westferry Road	Transport S106 Funded Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.005	0.005											0.010

Scheme Description	Programme	Strategic Priority Outcome	Priority Areas for Capital Investments	2017-18 Budget £m	2018-19 Budget £m	2019-20 Budget £m	2020-21 Budget £m	2021-22 Budget £m	2022-23 Budget £m	2023-24 Budget £m	2024-25 Budget £m	2025-26 Budget £m	2026-27 Budget £m	2027-28 Budget £m	2017-18 to 2027-28 Total Budget £m	
60 Commercial Road - Cycle and Pedestrian Improvement Project 2017	Transport S106 Funded Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.002	0.062	0.094										0.158
744 Wick Lane & 46-52 Fairfield Road	Transport S106 Funded Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.040												0.040
86 Brick Lane - Towards traffic management and calming measures on Fournier Street	Transport S106 Funded Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.058	0.058											0.116
Aldgate Place	Transport S106 Funded Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.291	0.292											0.583
Blackwall Way Bus Stops	Transport S106 Funded Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.024												0.024
Caspian Wharf and 1-3 Yeo St	Transport S106 Funded Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.094												0.094
Caspian Works and Lewis House	Transport S106 Funded Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.016	-											0.016
Cavell Street	Transport S106 Funded Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.067												0.067
Additional S106 schemes	Transport S106 Funded Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.180												0.180
Cycling and Pedestrian Improvements Programme	Transport S106 Funded Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	-	-	-	-	-	0.522							0.522
Construction of a pedestrian crossing on East Ferry Road, located near school entrance	Transport S106 Funded Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.017	0.017											0.034
Cuba St, Manilla St, Tobago St and Byng St	Transport S106 Funded Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.204												0.204
Former London Arena Phase 2	Transport S106 Funded Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.025	-											0.025
Fulneck 150 Mile End Road	Transport S106 Funded Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.044	0.045											0.089
Gem House	Transport S106 Funded Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.075	0.075											0.150
Improvements to pedestrian and cycle routes	Transport S106 Funded Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.010												0.010
Land Adjacent to Repton Street - Cycle and Pedestrian Improvement Project 2017	Transport S106 Funded Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.009												0.009
Popold Estate, Bow Common Lane, St Pauls Way & Burdett Road - Phase 8 Cycle and Pedestrian Improvement Project 2017	Transport S106 Funded Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	-		0.037										0.037
Primehouse Cut / St Annes Row	Transport S106 Funded Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.026	-											0.026
London Fruit and Wool - Cycle and Pedestrian Improvement Project 2017	Transport S106 Funded Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.039												0.039
Marsh Wall Environmental Improvement	Transport S106 Funded Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.014	0.014											0.028
Millwall Docks - Open space improvements	Transport S106 Funded Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.057	0.057											0.114
Morris Rd & Rifle St	Transport S106 Funded Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.002												0.002
North Dock IOD Cross rail Station - Cycle and Pedestrian Improvement Project 2017	Transport S106 Funded Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.010	0.117											0.127
North West Corner of Chrissie Street and Carmen Street	Transport S106 Funded Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.010	0.010											0.020
Ocean Estate FS2	Transport S106 Funded Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.048	0.048											0.096
One-Way to Two -Way Cycle Streets - Alie Street Area	Transport S106 Funded Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.101	0.101	0.101	0.101									0.405
Prestons Road	Transport S106 Funded Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.090												0.090
Sale Street	Transport S106 Funded Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.080												0.080
Spindrift Avenue	Transport S106 Funded Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.080												0.080
Stonebridge Wharf (Landscape Improvements)	Transport S106 Funded Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.089												0.089
Suttons Wharf, Palmers Road - Cycle and Pedestrian Improvement Project 2017	Transport S106 Funded Schemes	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.050												0.050
Fairfield Rd/Tredegar Rd Signa	OPTEMS	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.011												0.011
Tredegar Road	OPTEMS	2.1 People live in a borough that is clean and green	Roads and Transport Infrastructure	0.079	0.030											0.109
PSI Handhelds	ICT Solution - Handheld Devices	3.0 A focussed and efficient Council co-producing excellent services	Other	0.424												0.424
Adelina Grove	Contaminated Land Works	2.1 People live in a borough that is clean and green	Other	0.021												0.021
Contaminated Land Strategy H&S	Contaminated Land Works	2.1 People live in a borough that is clean and green	Other	0.050		0.106	0.106									0.262
Copton Close (Watts Gr/Gale St)	Contaminated Land Works	2.1 People live in a borough that is clean and green	Other	0.016												0.016

Current Capital Programme 2017-18 to 2027-28

Appendix 9A

Scheme Description	Programme	Strategic Priority Outcome	Priority Areas for Capital Investments	2017-18 Budget £m	2018-19 Budget £m	2019-20 Budget £m	2020-21 Budget £m	2021-22 Budget £m	2022-23 Budget £m	2023-24 Budget £m	2024-25 Budget £m	2025-26 Budget £m	2026-27 Budget £m	2027-28 Budget £m	2017-18 to 2027-28 Total Budget £m	
Poplar High St (Contaminated Land Surveys)	Contaminated Land Works	2.1 People live in a borough that is clean and green	Other	0.015												0.015
Rosebank Gardens	Contaminated Land Works	2.1 People live in a borough that is clean and green	Other	0.013												0.013
Stores Quay	Contaminated Land Works	2.1 People live in a borough that is clean and green	Other	0.019												0.019
Veronica House	Contaminated Land Works	2.1 People live in a borough that is clean and green	Other	0.014												0.014
Bancroft Library	Investment works to LBTH Assets	3.0 A focussed and efficient Council co-producing excellent services	Council Owned Buildings	0.050	0.095											0.145
Bethnal Green Library	Investment works to LBTH Assets	3.0 A focussed and efficient Council co-producing excellent services	Council Owned Buildings	0.200	0.400											0.600
CCTV Improvements	CCTV	2.3 People live in safer neighbourhoods and anti-social behaviour is tackled	Other	0.135												0.135
Improving Air quality in Tower Hamlets	PLACE - Mayoral Priority Growth 2017-18 to 2019-20	2.1 People live in a borough that is clean and green	Other	0.050	0.050	-										0.100
Investing in public realm to improve the local environment for residents	PLACE - Mayoral Priority Growth 2017-18 to 2019-20	2.1 People live in a borough that is clean and green	Parks and Open Spaces	1.000	1.000	1.000										3.000
Place Total				86.001	27.392	35.526	37.722	16.722	10.500	3.200	0.100	0.100	0.100	0.020	217.383	
Resources																
Idea Store Interactive Learning Project	Idea Store	3.0 A focussed and efficient Council co-producing excellent services	Council Owned Buildings	0.218												0.218
Idea Store Learning Technology Refresh	Idea Store	3.0 A focussed and efficient Council co-producing excellent services	ICT Investments	0.149												0.149
Providing free Wi-Fi in Tower Hamlets for all	RESOURCES - Mayoral Priority Growth 2017-18 to 2019-20	1.4 Inequality is reduced and people live in a cohesive community	ICT Investments	-	0.500	0.500	0.500									1.500
Resources Total				0.367	0.500	0.500	0.500	-	1.867							
Corporate																
Civic Centre Project - pre-procurement detailed design phase	Whitechapel Civic Centre	3.0 A focussed and efficient Council co-producing excellent services	Council Owned Buildings	3.270	0.500											3.770
Civic Centre	Whitechapel Civic Centre	3.0 A focussed and efficient Council co-producing excellent services	Council Owned Buildings	0.673	8.763	51.324	42.719	1.521								105.000
Infrastructure Delivery Budgetary Provision	Infrastructure Delivery Budgetary Provision	3.0 A focussed and efficient Council co-producing excellent services	Other	6.415												6.415
Underground Refuse Service - to replace two vehicles at the end of their useful life	CORP - Indicative Schemes - Other	2.1 People live in a borough that is clean and green	Other	-	0.500											0.500
Corporate Total				10.359	9.763	51.324	42.719	1.521	-	-	-	-	-	-	115.686	
Housing Revenue Account																
Housing Capital Programme	Housing Capital Programme	2.2 People live in good quality and affordable homes and neighbourhoods	Housing – Maintenance and Upkeep of Existing Stock	41.724	25.480	29.050	26.040	22.190	17.290							161.774
Ocean Retail Units	Ocean Estate Regeneration	2.1 People live in a borough that is clean and green	Markets and High Street Improvements	0.866												0.866
Blackwall Reach	Blackwall Reach	2.2 People live in good quality and affordable homes and neighbourhoods	Housing	2.748	1.152											3.900
Fuel Poverty Works – Bancroft & Avebury	Fuel Poverty Works	2.2 People live in good quality and affordable homes and neighbourhoods	Housing	0.040	0.400											0.440
Bradwell Street - GLA Pipeline Fund	New Supply - On site	2.2 People live in good quality and affordable homes and neighbourhoods	Housing – New Build	0.017												0.017
Extensions - GLA Pipeline Fund	New Supply - On site	2.2 People live in good quality and affordable homes and neighbourhoods	Housing – New Build	1.206												1.206
Watts Grove - GLA Pipeline	New Supply - On site	2.2 People live in good quality and affordable homes and neighbourhoods	Housing – New Build	3.016												3.016
99 St Paul's Way 1-4-1 Receipts	New Supply - Pre construction	2.2 People live in good quality and affordable homes and neighbourhoods	Housing – New Build	0.061												0.061
Arnold Road - 1-4-1 receipts	New Supply - Pre construction	2.2 People live in good quality and affordable homes and neighbourhoods	Housing – New Build	0.600	1.000	4.000	4.000	4.000	2.000							15.600
Ashington Estate East - GLA Pipeline Fund	New Supply - Pre construction	2.2 People live in good quality and affordable homes and neighbourhoods	Housing – New Build	0.100	2.000	4.000	4.000	4.000	3.400							17.500
Baroness Rd - 1-4-1 receipts	New Supply - Pre construction	2.2 People live in good quality and affordable homes and neighbourhoods	Housing – New Build	0.600	4.000	3.000	4.000	0.500								12.100
Hereford St - 1-4-1 receipts	New Supply - Pre construction	2.2 People live in good quality and affordable homes and neighbourhoods	Housing – New Build	-		1.500	3.000	3.000	3.000	1.000						11.500
Jubilee St - 1-4-1 receipts	New Supply - Pre construction	2.2 People live in good quality and affordable homes and neighbourhoods	Housing – New Build	0.600	4.000	3.000	4.000	0.500								12.100
Locksley Estate - 1-4-1 receipts	New Supply - Pre construction	2.2 People live in good quality and affordable homes and neighbourhoods	Housing – New Build	0.600	3.000	4.000	4.000	0.500								12.100
Tent Street - 1-4-1 receipts	New Supply - Pre construction	2.2 People live in good quality and affordable homes and neighbourhoods	Housing – New Build	0.600		2.000	4.000	4.000	4.000							14.600

Current Capital Programme 2017-18 to 2027-28

Appendix 9A

Scheme Description	Programme	Strategic Priority Outcome	Priority Areas for Capital Investments	2017-18 Budget £m	2018-19 Budget £m	2019-20 Budget £m	2020-21 Budget £m	2021-22 Budget £m	2022-23 Budget £m	2023-24 Budget £m	2024-25 Budget £m	2025-26 Budget £m	2026-27 Budget £m	2027-28 Budget £m	2017-18 to 2027-28 Total Budget £m	
Pipeline Schemes - Preliminary Works	Pipeline Schemes (1-4-1)	2.2 People live in good quality and affordable homes and neighbourhoods	Housing – New Build	2.170	1.130											3.300
HRA - Indicative Schemes - New Supply	New Supply - Budget Provision	2.2 People live in good quality and affordable homes and neighbourhoods	Housing – New Build	-	-	4.000	4.000	4.000	4.000	4.000	3.092					23.092
Community Benefit Society - 1-4-1 receipts	Community Benefit Society - 1-4-1 receipts	2.2 People live in good quality and affordable homes and neighbourhoods	Housing	-	4.500											4.500
Short Life Properties	Short Life Properties	2.2 People live in good quality and affordable homes and neighbourhoods	Housing – Maintenance and Upkeep of Existing Stock	0.176												0.176
Introducing new off-street parking arrangements in our housing estates due to changes in national legislation	HRA - Mayoral Priority Growth 2017-18 to 2019-20	2.1 People live in a borough that is clean and green	Other	0.200	0.500	1.300	1.300									3.300
Housing Revenue Account Total				55.322	47.162	55.850	58.340	42.690	33.690	5.000	3.092	-	-	-	301.146	
Total Current Capital Programme 2017-18 to 2027-28				181.487	95.192	165.084	152.996	70.484	45.900	8.200	3.192	0.100	0.100	0.020	722.756	

Scheme Description	Programme	Strategic Priority Outcome	Priority Areas for Capital Investments	2017-18 Budget £m	2018-19 Budget £m	2019-20 Budget £m	2020-21 Budget £m	2021-22 Budget £m	2022-23 Budget £m	2023-24 Budget £m	2024-25 Budget £m	2025-26 Budget £m	2026-27 Budget £m	2027-28 Budget £m	Total Budget £m
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Increases to existing schemes 2017-18 to 2027-28

Health, Adults & Community															
Goodmans Fields - Improvements to Health Infrastructure	Public Health	1.3 People access joined-up services when they need them and feel healthier and independent	Health Facilities				1.415								1.415
Health, Adults & Community Total						-	1.415	-	-	-	-	-	-	-	1.415
Children's Services															
St Paul's Way Trust School Expansion	Basic Need/Expansion	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Other	0.300	0.200										0.500
Stepney - 6th Form Expansion	Basic Need/Expansion	1.2 Children and young people feel they are protected and get the best start in life and realise their potential	Education – Other	0.600											0.600
Four Outdoor / Urban Gyms	Mayor's Priority - Parks and Open Spaces	1.3 People access joined-up services when they need them and feel healthier and independent	Health Facilities			0.050									0.050
Children's Services Total					0.900	0.200	0.050	-	-	-	-	-	-	-	1.150
Place															
Private Sector Improvement Grants	Private Sector Improvement Grants	2.2 People live in good quality and affordable homes and neighbourhoods	Housing												0.080
Disabled Facilities Grants	Disabled Facilities Grants	2.2 People live in good quality and affordable homes and neighbourhoods	Housing		0.143	0.243	1.500	1.500							3.386
Granby Hall Community Hub	Community Hubs/Buildings	1.4 Inequality is reduced and people live in a cohesive community	Council Owned Buildings		0.120										0.120
TRAMSHED Digby Greenway Community Centre	Community Hubs/Buildings	1.4 Inequality is reduced and people live in a cohesive community	Council Owned Buildings	0.040											0.040
Thomas Buxton PM Cottage	Conversion of council buildings to temporary accommodation	2.2 People live in good quality and affordable homes and neighbourhoods	Housing		2.300										2.300
Registered Provider Grant Scheme	Registered Provider Grant Scheme (from 1-4-1)	2.2 People live in good quality and affordable homes and neighbourhoods	Housing		1.407	1.919	1.500	0.174							5.000
Investing in Public Realm to improve the local environment for residents (Borough Refresh)	Mayoral Priority Growth 2017-18 to 2019-20	2.1 People live in a borough that is clean and green	Public Realm / Streets			1.000	1.000	1.000							3.000
Place Total					0.040	3.970	2.162	4.000	2.674	1.000	-	-	-	0.080	13.926
Corporate															
Underground Refuse Service - A third new Underground Refuse Vehicle (URS)		2.1 People live in a borough that is clean and green	Other		0.270										0.270
Corporate Total					-	-	0.270	-	-	-	-	-	-	-	0.270
Total Increases to Existing Schemes 2017-18 to 2027-28					0.940	4.170	3.897	4.000	2.674	1.000	-	-	-	0.080	16.761

New additions to capital programme

Corporate															
Feasibility Studies	N/A	N/A	N/A		1.500										1.500
New Schemes	N/A	N/A	N/A		15.000										15.000
Corporate Total					-	16.500	-	-	-	-	-	-	-	-	16.500
Total New additions to capital programme					-	16.500	-	-	-	-	-	-	-	-	16.500
Total Increases to Existing Schemes 2017-18 to 2027-28 and New additions to capital programme					0.940	20.670	3.897	4.000	2.674	1.000	-	-	-	0.080	33.261

Summary Capital Programme 2017-18 to 2027-28

Appendix 9C

Capital Programme by Directorate

Directorate	2017-18 Budget £m	2018-19 Budget £m	2019-20 Budget £m	2020-21 Budget £m	2021-22 Budget £m	2022-23 Budget £m	2023-24 Budget £m	2024-25 Budget £m	2025-26 Budget £m	2026-27 Budget £m	2027-28 Budget £m	2017-18 to 2027-28 Total Budget £m
Health, Adults & Community	3.322	2.550	4.827	1.737	1.600	-	-	-	-	-	-	14.036
Children's Services	27.015	8.024	18.523	11.978	7.951	1.710	-	-	-	-	-	75.201
Place	86.041	31.362	37.688	41.722	19.396	11.500	3.200	0.100	0.100	0.100	0.100	231.309
Resources	0.367	0.500	0.500	0.500	-	-	-	-	-	-	-	1.867
Corporate	10.359	26.263	51.594	42.719	1.521	-	-	-	-	-	-	132.456
Total (Non HRA)	127.105	68.700	113.131	98.656	30.468	13.210	3.200	0.100	0.100	0.100	0.100	454.870
Housing Revenue Account	55.322	47.162	55.850	58.340	42.690	33.690	5.000	3.092	-	-	-	301.146
Total HRA	55.322	47.162	55.850	58.340	42.690	33.690	5.000	3.092	-	-	-	301.146
Total Budget	182.427	115.862	168.981	156.996	73.158	46.900	8.200	3.192	0.100	0.100	0.100	756.017

Capital Programme by Strategic Priority Outcome

Strategic Priority Outcome	2017-18 Budget £m	2018-19 Budget £m	2019-20 Budget £m	2020-21 Budget £m	2021-22 Budget £m	2022-23 Budget £m	2023-24 Budget £m	2024-25 Budget £m	2025-26 Budget £m	2026-27 Budget £m	2027-28 Budget £m	2017-18 to 2027-28 Total Budget £m
1.1 People access a range of education, training, and employment opportunities and feel they share the benefits from growth	-	-	-	-	-	-	-	-	-	-	-	-
1.2 Children and young people feel they are protected and get the best start in life and realise their potential	23.675	5.267	16.784	9.959	7.450	1.710	-	-	-	-	-	64.846
1.3 People access joined-up services when they need them and feel healthier and independent	4.728	7.063	5.512	1.737	1.600	-	-	-	-	-	-	20.640
1.4 Inequality is reduced and people live in a cohesive community	0.895	1.800	1.450	0.500	-	-	-	-	-	-	-	4.645
2.1 People live in a borough that is clean and green	17.995	11.154	10.522	9.541	5.723	1.000	-	-	-	-	-	55.935
2.2 People live in good quality and affordable homes and neighbourhoods	121.393	64.320	83.389	92.540	56.864	44.190	8.200	3.192	0.100	0.100	0.100	474.388
2.3 People live in safer neighbourhoods and anti-social behaviour is tackled	0.135	-	-	-	-	-	-	-	-	-	-	0.135
3.0 A focussed and efficient Council co-producing excellent services	13.605	9.758	51.324	42.719	1.521	-	-	-	-	-	-	118.927
N/A (Feasibility Studies, and New Schemes)	-	16.500	-	-	-	-	-	-	-	-	-	16.500
Total Budget	182.427	115.862	168.981	156.996	73.158	46.900	8.200	3.192	0.100	0.100	0.100	756.017

Capital Programme Funding

Directorate	Capital Grants £m	Major Repairs Allowance £m	Schools Contribution £m	Capital Receipts £m	Prudential Borrowing £m	S106 / Community Infrastructure Levy £m	Revenue £m	Total Funding £m
Health, Adults & Community	0.102	-	-	-	-	13.934	-	14.036
Children's Services	43.788	-	0.715	0.590	-	28.437	1.671	75.201
Place	19.769	-	0.978	58.381	97.304	40.667	14.210	231.309
Resources	-	-	-	-	-	0.367	1.500	1.867
Corporate	-	-	-	105.540	-	6.415	20.501	132.456
Total (Non HRA)	63.659	-	1.693	164.511	97.304	89.821	37.882	454.870
Housing Revenue Account	-	90.287	-	62.338	104.709	-	43.812	301.146
Total HRA	-	90.287	-	62.338	104.709	-	43.812	301.146
Total Funding	63.659	90.287	1.693	226.849	202.013	89.821	81.694	756.017

Proposed New Schemes 2017-18 to 2027-28 by Strategic Priority Outcome

Appendix 9D

Strategic Priority Outcome	2018-19 Budget £m	2019-20 Budget £m	2020-21 Budget £m	2021-22 Budget £m	2022-23 Budget £m	2023-24 Budget £m	2024-25 Budget £m	2025-26 Budget £m	2026-27 Budget £m	2027-28 Budget £m	2017-18 to 2027-28 Total Budget £m
1.1 People access a range of education, training, and employment opportunities and feel they share the benefits from growth	0.200	-	-	-	-	-	-	-	-	-	0.200
1.2 Children and young people feel they are protected and get the best start in life and realise their potential	1.167	1.167	1.167	-	-	-	-	-	-	-	3.500
1.3 People access joined-up services when they need them and feel healthier and independent	4.429	1.326	2.791	0.308	0.326	-	-	-	-	-	9.180
1.4 Inequality is reduced and people live in a cohesive community	-	-	-	-	-	-	-	-	-	-	-
2.1 People live in a borough that is clean and green	6.418	9.967	6.410	4.230	4.230	4.500	4.500	4.500	4.500	4.500	53.755
2.2 People live in good quality and affordable homes and neighbourhoods	30.365	67.805	64.055	36.504	26.122	12.164	11.160	5.000	5.000	-	258.175
2.3 People live in safer neighbourhoods and anti-social behaviour is tackled	-	-	-	-	-	-	-	-	-	-	-
3.0 A focussed and efficient Council co-producing excellent services	4.250	3.650	42.450	2.000	1.500	1.500	1.500	1.500	1.500	1.500	61.350
Total	46.829	83.915	116.873	43.042	32.178	18.164	17.160	11.000	11.000	6.000	386.160

**The Council's 2018-19 Budget Report and
Medium Term Financial Strategy 2018-21**

Appendix 10

BUDGET CONSULTATION FEEDBACK

Budget Consultation Feedback 2018-19

Summary of responses to the consultation (as at 18 January 2018)

The consultation was comprised of 6 questions, which are set out below along with an indication of the responses received to date.

1. Do you agree with the approach that the council is taking in 2018-19 and its plans for a three year budget as a way of protecting frontline services

Responses

Half of those who responded (50 per cent) said they agree with the council's approach.

Forty per cent of respondents disagreed with our approach and ten per cent left the question unanswered.

2. In your opinion, which council service(s) have the biggest impact on your life?

Responses

Council services which respondents said have the biggest impact on their lives are:

Environmental & regulatory services – 32 per cent

Highways and transport – 32 per cent

and housing – 32 per cent.

Followed by education - 28 per cent

Public health – 26 per cent

and central and other services – 22 per cent

Children social care – 20 per cent

and adult social care – 14 per cent

3. Would you prefer that the council: a) reduces budgets across all services by the same proportion; b) continues to invest resources in services that are council priorities c) protects frontline services

Responses

Almost half of respondents (46 per cent) stated that they prefer the council to protect frontline services; 36 per cent would like the council to invest in services that are council priorities and only 18 per cent would like the council to reduce budgets across all services by the same proportion.

**4. Do you think the impact of these savings on the borough will mean:
a) Fewer services will be available b) More services will be available
c) Council will be more efficient d) Council will be less efficient e) Service quality will go down f) Service quality will improve.**

Responses

Forty per cent of those who responded believe that the impact of savings mean there will be fewer services available.

Twenty six per cent of respondents said the impact would mean more efficient services; and 18 per cent said service quality would go down.

- 5. The government has also said it expects councils to increase their council tax rate by an additional 1.75 per cent every year to cover inflation. It has limited any inflationary increase to a maximum of 1.99 per cent.**

In setting its three year plan last year the council did not propose any inflationary increase to its council tax in 2018-19. We are planning to continue with this approach of not adding anything further for this to the council tax rate.

Do you support the proposal not to implement any additional inflationary increase in council tax above the adult social care precept of 2 per cent?

Responses

Forty four per cent of respondents support the proposal and 40 per cent stated that they do not support the proposal. The remaining did not answer/did not know.

- 6. Last year the government said councils could add an additional charge for adult social care to support some of the most vulnerable residents in our borough. This could be an increase of up to 6 per cent in council tax over the period 2017 – 2020.**

In our medium term financial plan we proposed that this should be implemented in the following way:3 per cent in 2017-18 (which was approved by the council)2 per cent in 2018-19 and1 per cent in 2019-20

The proposal for 2018-19 would raise approximately £1.8m and cost the average household 37p per week.

Do you support the 2 per cent increase in council tax to support adult social care services?

Responses

More than half of respondents (56 per cent) support a 2 per cent increase in council tax to support adult social care services and 36 per cent of respondents said no to a 2 per cent increase in council tax. Seven per cent of people did not know/did not answer.

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