

CABINET

Wednesday, 8 January 2020 at 5.30 p.m.

BUDGET PACK

**Cabinet
(08 January 2020)**

**Overview and Scrutiny Committee
(13 January 2020)**

**Cabinet
(29 January 2020)**

**Council
(19 February 2020)**

BUDGET PACK

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Mayor's Foreword to the Council's Budget Report

We publish this year's draft Budget against a backdrop of massive uncertainty.

However we can assume that there will be further funding pressure for local government.

Ten years of austerity, as well as the adult and children's social care crisis have already left councils across the country facing an ever tighter financial squeeze. This is particularly the case in Tower Hamlets where our population has continued to grow faster than almost anywhere else in the country. Demand for our services is increasing. Funding from central Government has failed to keep pace.

The election told us very little about the new Government's plans for local councils. Big questions like how they plan to address the social care crisis remain unanswered.

As a result our Budget this year is focused on 2020/21. Indicative figures are included for years two and three highlighting the scale of the challenge. The numbers are clear though, the Government's austerity drive is far from over and it will hit our council hard. In 2021/22 for example Government plans so far will see the amount Tower Hamlets get to keep from Business Rates fall by an estimated £16m. We will lobby against such a precipitous fall and will of course fight against Government cuts which stretch our capacity to meet statutory demands for services but we must be prepared for further difficult decisions in years to come.

Tower Hamlets remains one of the most popular places in the country to live with more people moving to live here than almost anywhere else in the country. It is a testament to our vibrant, welcoming community but it also drives significant increases in demand for our services. The massive population growth has meant over recent years we have had to invest an extra £8m in adult social care and a further £2m in children's social care.

We are committed to supporting our most vulnerable residents to access the best possible care and I am deeply proud that earlier this year Ofsted rated our Children's Services as 'Good' recognising the 'remarkable progress' we have made. That is why this year's Budget invests an extra £7.2m in support for children with social care or special educational needs or disabilities. On top of this we plan to spend an extra £12.4m supporting vulnerable adults between 2020 and 2023.

Our *Your Budget, Your Future* consultation saw around 2,000 people share their views on what the council should prioritise. The responses showed wide support for our approach with children's services, education and supporting vulnerable children identified as the most important focus for the council.

Over recent years we have focused on saving money by making our services more efficient, embracing technology to make things easier for residents and reducing our back-office costs. Many of our services are now also available online, saving us money and making it far easier for residents to make requests on the go if they want.

By becoming a leaner and more effective council we have been able to protect services like our Idea Stores, leisure centres, libraries and children's centres and invest in measures to improve our borough and protect our most vulnerable residents.

At the same time, we will continue to invest to deliver the promises we made to local people:

- Funding additional police officers to keep our streets safe and tackle drug crime.

- Delivering 2,000 new council homes and thousands more new affordable homes.
- Providing free school meals for all primary school pupils in the borough.
- Cleaning up our streets with a new in-house waste service.
- Protecting the poorest with 100% council tax discount and our Tackling Poverty fund.
- Supporting thousands more local people to develop new skills and gain employment.
- Transforming the way our neighbourhoods work through our Liveable Streets programme to cut down on rat running, improve air quality and make our roads more pedestrian friendly.

We have an ambitious plan for our borough but we have to be honest about the financial challenge we face. Ultimately our capacity can only be funded within our resources.

The *Your Budget, Your Future* consultation showed that over half of those surveyed felt the council should reduce spending on temporary agency staff as well as generating more commercial income. Around half also said the council should continue to make services more efficient in order to save money. We agree, and this Budget includes new measures to reduce our spending on temporary staff and step up our drive to increase income and efficiency.

While making our services more efficient will help, that alone will not meet the vast holes in our budget left by years of Government cuts and demand increases. Almost a decade of austerity has made easy savings hard to find.

That is why, to protect the services local people tell us they value, we have taken the difficult decision to recommend an increase in council tax of 1.99% as well as an additional 2% increase which government expects us to raise to support adult social care. In total this would mean an extra 78p a week on the average property's council tax bill. To protect the most vulnerable we will continue our 100% council tax discount for those on the lowest incomes. After 4 years of council rents being reduced we are proposing a small increase to protect investment in stock and repairs.

The uncertainty of the new Government and the potential for further cuts to council Budgets is a major risk for our community. My colleagues and I will continue to campaign for the Government to give us the funding we need to deliver the high-quality services local people deserve.

Despite the financial challenge, this is a Budget which continues to deliver on our promises to local people. A Budget which safeguards frontline services and invests substantial amounts in protecting our most vulnerable.

John Biggs

Executive Mayor

<p>Cabinet</p> <p>8th January 2020</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Neville Murton, Corporate Director of Resources</p>	<p>Classification: Unrestricted</p>
<p>The Council's 2020-21 Budget Report and Medium Term Financial Strategy 2020-23</p>	

Lead Member	Councillor Candida Ronald, Cabinet Member for Resources and the Voluntary Sector
Originating Officer(s)	Kevin Bartle, Interim Divisional Director Finance, Procurement & Audit
Wards affected	All wards
Key Decision?	Yes
Forward Plan Notice Published	6 th December 2019
Reason for Key Decision	To set the Council's Budget for 2020-21 and MTFS 2020-23
Strategic Plan Priority / Outcome	<ol style="list-style-type: none"> 1. People are aspirational, independent and have equal access to opportunities; 2. A borough that our residents are proud of and love to live in; 3. A dynamic outcomes-based Council using digital innovation and partnership working to respond to the changing needs of our borough.

Executive Summary

In February 2019 the Council agreed a 3 year budget and Medium Term Financial Strategy (MTFS) for the period 2019-22, including new savings of £15.390m 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 2020-22 and incorporates a new financial year, 2022-23, to maintain the Council's three year MTFS.

The assumptions set out in last year's MTFS for 2020-21 have been reviewed and updated to allow Members to agree a balanced budget and Council Tax requirement for that year.

2019-20 was the final year of the government's 'guaranteed' funding settlement and in the light of the continued uncertainty surrounding Brexit the government published on 4 September 2019 a Spending Round (SR2019) for one year only.

A technical consultation covering issues for 2020-21 to inform a provisional Local Government settlement, in accordance with the recommendations of the recent Hudson review, commenced in October 2019. A provisional Local Government Finance Settlement (LGFS) has been recently published on 20th December 2019; however the final complete settlement is expected in the new year.

As a consequence, this budget report includes a number of areas where planning assumptions have needed to be made in advance of the final settlement and it is important to recognise that this creates some uncertainty over the final shape of the Council's proposed budget until the final details are available.

Following receipt of the final settlement, the Chief Finance Officer (CFO) will need to be assured of the robustness of estimates and adequacy of reserves and this will be covered in the report to Cabinet on 29 January 2020.

As in previous years officers have evaluated the financial impact of new demographic and inflationary budget pressures in comparison to estimated impacts included for the years 2020-21 and 2021-22 in previous years' MTFS together with an evaluation of those pressures arising in the newly incorporated year 2022-23; the action that is needed to meet these additional commitments over the existing MTFS assumptions is now built into the budget proposals.

A summary of the projected General Fund draft budget for each of the three years 2020-23 is shown in Appendix 1 with a more detailed service analysis in Appendix 2.

The report also includes revised assessments of the Dedicated Schools Grant (DSG). The Housing Revenue Account (HRA) and the three year Capital Programme 2020-23, and its funding, are being reviewed and will be included in the Cabinet report scheduled for 29 January 2020.

The report also includes the outcome of the Council's 2020-21 budget consultation that ended on the 5th December 2019.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Propose a draft General Fund Revenue Funding Requirement of £352.846m subject to any changes arising from the technical consultation and the final Local Government Finance Settlement.
2. Propose a Band D Council Tax of £1,060.35 for 2020-21 to be referred to Full Council for consideration.
3. Agree the proposal of an average housing rent increase of 2.7% based on the September 2019 Consumer Price Index plus 1% to take effect from the first rent week of April 2020. This equates to an average rent increase of £2.94 per week for 2020-21.
4. Agree the proposal that the average weekly housing tenanted service charge will increase by 2.7% from the first rent week in April 2020. This is consistent with the new Social Housing rent standard rent policy and will lead to an average weekly increase in tenanted service charges of approximately £0.23.
5. Agree the proposal that the Local Council Tax Reduction Scheme be recommended to Council for consideration, recommending that Council agrees no changes to the current Local Council Tax Reduction Scheme for 2020-21.
6. Consider and comment on the following matters:

The General Fund revenue budget for 2020-21 and Medium Term Financial Strategy 2020-21 to 2022-23

The initial budget proposals and Council Tax for 2020-21 together with the Medium Term Financial Strategy set out in Appendix 1

Budget Consultation

The outcome of consultation with business ratepayers, residents and other stakeholders as set out in Section 3.13 and Appendix 6

Funding

The funding available for 2020-21 and the indications and forecasts for future years as set out in Section 3.4.

Growth and Inflation

The risks identified from the potential growth and inflation commitments arising in 2020-21 and future years as set out in Section 3.5 & Appendix 3.

Savings

New proposed saving items to be delivered in 2020-23 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.

Reserves

The reserves policy and proposed approach to the strategic use of reserves as set out in Section 3.8.

Schools Funding

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

Housing Revenue Account

The proposals for Housing Rent and Tenanted Service Charge Setting 2020-21 are set out in Section 3.10.

7. To note the Equalities Impact Assessment and specific equalities considerations as set out in Section 4.

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 financial year 2020-21 by 9th March 2020 at the latest. The Council's Chief Financial (S151) Officer must confirm the robustness of the estimates applied and the adequacy of the Council's reserves as part of the budget setting report to the Council.
- 1.2 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.
- 1.3 The announcements and consultations made about Government funding for the Council in the Chancellor's Spending Round and the technical consultation on the 2020-21 Local Government Finance Settlement require a robust and timely response to enable a balanced budget to be set.
- 1.4 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.
- 1.5 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.
- 1.6 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.
- 1.7 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. The three year Capital Programme 2020-23 will be included in the Cabinet report on 29 January 2020.

2. ALTERNATIVE OPTIONS

- 2.1 The Council is required 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, and to the extent permitted by its resources, those services it wishes to prioritise through investment.

- 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 THE REPORT

3.1 BACKGROUND

- 3.1.1 In February 2019 the Council agreed a balanced budget for 2019-20 and a Medium Term Financial Plan (MTFP) to 2021-22 identifying additional savings of £15.390m to be delivered over the medium term period. This was done in the context of certainty over government grant funding levels only to the end of March 2020 which is when the government's four year guaranteed funding settlement expires. The estimates for 2020-21 and later years were therefore speculative and reflected a number of significant unknown elements such as any changes arising from a new Spending Review period and a stated intention to implement a 'Fair Funding' review of Local Government finances including the expected introduction of changes to the business rate retention scheme.
- 3.1.2 In the event, the next multi-year Spending Review has been delayed by other Government business and instead the Chancellor of the Exchequer announced a one year Spending Round (in September 2019). This included headline information on the funding levels for Local Government including clarification in respect of a number of separate grant funding streams outside of Revenue Support Grant (RSG) and retained business rates.
- 3.1.3 This report updates Members on the impact of all of these changes, and identifies the additional growth and savings proposals that will inform consideration of the budget package by the Overview and Scrutiny Committee.
- 3.1.4 The main body of the report has the following 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)
 - Treasury Management Strategy (Section 3.11)
 - Budget Consultation (Section 3.12)

- 3.1.5 The key planning assumptions that support the draft budget proposals are set out in the body of the report and in the attached appendices.
- 3.1.6 In developing these proposals the Council has taken account of the government's previous approaches to measuring 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.

3.2 STRATEGIC APPROACH

Strategic Plan 2019-22

- 3.2.1 In April 2019 Cabinet agreed a three year Strategic Plan focusing on improving outcomes for local people and delivering sustainable improvements in the way the Council operates. The Strategic Plan is designed to reflect and deliver the Mayor's manifesto. The Plan is refreshed annually to ensure it is aligned with emerging priorities for the organisation and borough. The council's vision is to become a dynamic outcomes-based organisation using digital innovation and partnership working to respond to the changing needs of our borough. This renewed focus on outcomes requires us to think differently. Working together across traditional organisational boundaries, we need a relentless focus on what has the biggest impact on outcomes. This needs us to question not only how our services are performing, but also whether we are doing the right things to deliver the impact needed. The Strategic Plan embeds Outcomes Based Accountability and Budgeting (OBA/OBB) in our planning and performance approach for 2020-21.
- 3.2.2 In line with this approach the revised priorities and outcomes are set out in the table below:

Table 1 – Strategic Priority Outcomes

Priority 1: People are aspirational, independent and have equal access to opportunities	
Outcomes we want to achieve	People access a range of education, training, and employment opportunities.
	Children and young people are protected so they get the best start in life and can realise their potential.
	People access joined-up services when they need them and feel healthier and more independent.
	Inequality is reduced and people feel that they fairly share the benefits from growth.

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 affordable homes and well-designed neighbourhoods.
	People feel safer in their neighbourhoods and anti-social behaviour is tackled.
	People feel they are part of a cohesive and vibrant community.

Priority 3: A dynamic, outcomes-based Council using digital innovation and partnership working to respond to the changing needs of our borough	
Outcomes we want to achieve	People say we are open and transparent putting residents at the heart of everything we do.
	People say we work together across boundaries in a strong and effective partnership to achieve the best outcomes for our residents.
	People say we continuously seek innovation and strive for excellence to embed a culture of sustainable improvement.

3.2.3 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 and co-design services.
- 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.

3.2.4 The Council's approach to strategic and financial planning has been informed by an understanding of the 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.

- 3.2.5 It also recognises that there are longer term challenges which need to be addressed by working with the community to create a fairer, cleaner and safer borough. These challenges include:
- Growth and development impacting on local infrastructure and services;
 - 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;
 - Climate change and air quality affecting the way residents live their lives now and in the future;
 - 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 in Appendix 1, and the detail by service area in Appendix 2. The detailed figures and assumptions incorporated in these tables are explained more fully in this report. The figures assume a Council budget requirement of £352.846m for 2020-21; a Council Tax at Band D of £1,060.35 and a net transfer from reserves of £4.066m in 2020-21.

Spending Round 2019

3.3.2 The 4-year funding settlement agreed with the Government expires at the end of the current financial year. The government previously stated its intention to hold a new Spending Review in 2019, covering the period 2020-21 to 2023-24. However, due to the government's focus on other legislative agendas, it was announced on 4th September 2019 that a one-year Spending Round would be provided, covering the financial year 2020-21 only; and that this would be followed in 2020 by a full Spending Review, reviewing public spending as a whole and again setting multi-year budgets.

3.3.3 The government has indicated that it projects that Core Spending Power (CSP) will increase by £2.9bn in 2020-21, a real terms increase of 4.3% (i.e. a cash increase of 6.2%). This compares to a cash increase in CSP of £1.7bn between 2015-16 to 2019-20.

3.3.4 Within this, the government has indicated that there will be £1bn for Social Care, which will be in addition to grants of £2.5bn already being paid, which might be taken to include the current Improved Better Care Fund (IBCF), Winter Pressures Grant and Social Care Support grant. In addition, the government has consulted on a further 2% Adult Social Care Precept for 2020-21 and the provisional LGFS indicates this level of precept will be agreed.

Local Government Finance Settlement (LGFS) 2020-21

3.3.5 When we launched the MTFs process, we understood that the Ministry for Housing, Communities and Local Government's (MHCLG) intention was to

announce the provisional LGFS as early as November 2019. A Technical Consultation on the LGFS was issued in October 2019, with the aim of allowing the provisional settlement in early December. However, with the announcement of a General Election on 12 December, this position fundamentally changed, with a significant impact on the information available to support the Council's financial planning.

- 3.3.6 Following the General Election, there remains a legal obligation to provide the sector with a settlement to prepare a budget for next year and our planning assumptions are currently based on the Spending Round announcement and other key announcements or consultations. A provisional LGFS was published on 20th December 2019; however the final settlement is expected in the new year. Our assumptions will be revised as soon as we receive the final settlement information.

Fair Funding Review and Business Rates Reset

- 3.3.7 The Fair Funding Review and Business Rates Reset will be deferred until 2021-22 however, the government has announced that the London 75% Business Rate pilot will come to an end in March 2020.
- 3.3.8 Notwithstanding this, the Leaders of all London Councils together with the Greater London Authority (GLA) intend to continue with the London wide pooling arrangement for 2020-21, permissible under the original business rate retention scheme. This allows for the offset of the top-up and tariff position of each authority in the pool.

3.4 FINANCIAL RESOURCES

Council Tax

- 3.4.1 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) the rate of charge per property and the collection rate.
- 3.4.2 The borough has seen a 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.
- 3.4.3 The Council can, subject to legislative constraints, increase its Council tax rate through two mechanisms; the Adult Social Care precept and general inflationary increases. Each 1% increase in the Council Tax rate generates around £1m per annum, which equates to approximately 20 pence per week for the average Band D property. In the Spending Round the Chancellor announced that the referendum level (which excludes amounts attributable to the Adult Social Care precept) will be set at a level of up to 2% - a fall from previous levels and reflecting the government's broad view of inflation and an assumed rise of 1.99% which is now expected to be reflected in their calculation of Core Spending Power (CSP).

- 3.4.4 For the Adult Social Care (ASC) precept, the government consulted on a maximum increase of 2% and have indicated in the provisional LGFS that this level will be agreed for 2020-21. The increase in Council Tax attributable to the ASC must be directed towards Adult Social Care pressures.
- 3.4.5 Currently Tower Hamlets has one of the lowest Council Tax rates across the 33 London Boroughs. It is likely that even after implementing the proposed increase for the ASC precept this year, the Council will continue to have one of the lowest Council Tax rates in London.
- 3.4.6 A general inflationary increase of 1.99% is proposed over all years of the MTFS. This equates to 40 pence per week for the average Band D property. A 2% increase in the ASC precept is also proposed and included in all years of the MTFS. Taking all of these factors into account it is proposed to increase the Council Tax by 3.99% in 2020-21. This equates to an increase of 80 pence per week (2% ASC and 1.99% Inflation).
- 3.4.7 Taking into account the forecast growth in tax base and decisions around rate increases referred to above, the Council's share of Council Tax income in 2020-21 is estimated to be £108.438m and this has been built into the proposed Budget for 2020-21.

Local Council Tax Reduction Scheme (LCTRS) 2020-21

- 3.4.8 Following a full public consultation, the council introduced changes to its Local Council Tax Reduction Scheme last year, effective from April 2019.
- 3.4.9 Each year, the council is required to consider whether it wishes to change its Local Council Tax Reduction Scheme. Any changes to the scheme would require a full public consultation and impact analysis.
- 3.4.10 In July 2019, as part of the Medium Term Financial Strategy refresh and budget planning for 2020-21, Cabinet decided to maintain the existing 100% Local Council Tax Reduction Scheme for 2020-21 protecting our residents on low incomes.
- 3.4.11 It is, therefore, recommended that the current Local Council Tax Reduction Scheme should remain unchanged for 2020-21.
- 3.4.12 The reasons for this are:
- The current scheme was adopted after full public consultation
 - The current scheme is a 100% scheme and remains amongst the most generous in the UK protecting Tower Hamlets residents on low incomes

Settlement Funding Assessment and Revenue Support Grant

3.4.13 Settlement Funding Assessment (SFA) reflects the government's current approach to funding most local authorities through Revenue Support Grant (RSG) and retained business rates.

3.4.14 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).

3.4.15 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 – Provisional Settlement Funding Assessment 2020-21

	£m
Settlement Funding Assessment (SFA)	145.3
Baseline Funding Level (BFL)	111.5
Revenue Support Grant (RSG)	33.8

Business Rates Retention Scheme

3.4.16 In 2018-19 and 2019-20, the Council participated in a London-wide Business Rates Retention Pilot scheme. In the 2019 Spending Round it was announced that the London pilot scheme would not exist in 2020-21.

3.4.17 However, on the 8th October 2019 the Leader's Committee at London Councils agreed to pool business rates in 2020-21 under the original business rates pool provisions. This allows for the offsetting of individual authorities top-up and tariff payments. The estimated net benefit to the Council from this arrangement is £1.4m.

Core Grants

3.4.18 In addition to Revenue Support Grant (RSG), the Council receives a number of other grants to support specific service priorities. The estimated value of these grants 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 2020-23

Core Grants	2020-21 £m	2021-22 £m	2022-23 £m
New Homes Bonus	19.202	19.202	19.202
Improved Better Care Fund	15.235	15.235	15.235
Public Health Grant	34.806	34.806	34.806
School Improvement Monitoring and Brokering Grant	0.350	0.350	0.350
Local Lead Flood Grant	0.036	0.036	0.036
Winter Pressures Grant	1.500	1.500	1.500
Social Care Support Grant	7.500	2.500	2.500
Total Core Grants	78.629	73.629	73.629
NHB allocated for Capital Investment	(16.020)	(16.020)	(16.020)
Total Core Grants (Revenue)	62.609	57.609	57.609

New Homes Bonus

3.4.19 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.

3.4.20 The Council has reduced its reliance on NHB as a funding source in support of its revenue budget since 2016-17. Of the £19.2m NHB the Council expects to receive in 2020-21, only £3.2m will be used to support the revenue budget.

Improved Better Care Fund

3.4.21 The Better Care Fund (BCF) was introduced in the 2013-14 spending review. The Fund is a pooled budget, bringing together local authority and NHS funding to create a national pot designed to integrate care and health services.

3.4.22 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. The Spending Round 2019 confirmed the continuation of this grant for a further year in 2020-21. This funding takes into account local authorities' ability to raise resources locally through the Adult Social Care precept.

Public Health Grant

3.4.23 The Public Health Grant allocation for 2020-21 has not been confirmed. The government has, however, announced its intention to increase the overall level of the national grant by the level of the GDP deflator (1.84%).

School Improvement Monitoring and Brokering Grant

3.4.24 In November 2016, the government announced a £50m fund for local authorities to “continue to monitor and commission school improvement for low-performing maintained schools”. This is 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 been allocated £0.35m for 2019-20 and assumes this will continue for 2020-21 onwards.

Winter Pressures Grant

3.4.25 In the Chancellor’s 2019-20 Budget, £240m of additional funding was announced for Councils to spend on adult social care services to alleviate winter pressures on the NHS. This Winter Pressures Grant funding is allocated using the existing Adult Social Care Relative Needs Formula. In the 2020-21 technical consultation the government set out its intention to include winter pressures funding within the pooled allocation for the Improved Better Care Fund. As in the previous year the Corporate Director for Health, Adults and Communities will identify appropriate interventions in consultation with the Clinical Commissioning Group (CCG) and other relevant partners.

Social Care Support Grant

3.4.26 In the Chancellor’s 2019-20 budget, £410m of additional funding was announced for use for adult and children’s social services. The Spending Round 2019 indicated that there will be additional Social Care funding of up to £1.5bn in total for 2020-21, partly delivered through grant (over and above funding currently received in 2019-20) and through an additional year of Adult Social Care Precept. The government believes there is not a single bespoke needs formula that can be used to model relative needs for both adult and children’s social care, therefore the existing Adult Social Care Relative Needs Formula will also be used to distribute this Social Care Support Grant funding. The allocations for 2020-23 have not been confirmed.

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 growth pressures across the Medium Term Financial Strategy period arising from demographic changes, new requirements or responsibilities or inflationary pressures.

3.5.2 In previous budget setting rounds, the Council approved amounts for unavoidable growth over the period 2020-22. Following a review as part of updating the MTFS for the period 2020-23, some additional growth pressures arising from demographic changes, new requirements or responsibilities have been identified. These items are set out in Appendix 3 and have been built into the budget proposal presented in this report.

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 1.7% (CPI) throughout the MTFS 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 at least 2% in each year of the three year plan.

3.5.6 The estimated impact of inflation is also set out in Appendix 3.

3.6 SAVINGS PROPOSALS

3.6.1 In 2019-20 the Council approved savings covering the whole of the period of the MTFS which ensured that a balanced budget for 2020-21 and 2021-22 was already in place. Detailed consultation and impact assessments will continue to be undertaken as the proposals agreed previously are taken through to implementation.

3.6.2 However, there have been a number of changes made to the 2020-22 budget assumptions, largely to take account of the revised analysis of demographic growth requirements and, after a re-assessment, the expected deliverability and timescales of savings. This has resulted in the need to reprofile £5.4m of 2020-21 savings to later financial years, mainly to allow for the planned contractual efficiencies to be delivered in line with procurement timescales, greater commercialisation opportunities to be developed and information technology improvements to become embedded.

Prior year savings written off - £3.8m

3.6.3 The following previously agreed savings are no longer deliverable and it is proposed in this budget that these are now written off;

- Better targeting of services for children with special educational need and disabilities (SEND) ref: CHI005/17-18 (£0.940m) – Savings made in

this area will be attributable to the Dedicated Schools Budget, instead of the General Fund.

- Increasing the involvement of partners in Early Years services ref: CHI003/17-18 (£2.408m) - Savings made in this area will be attributable to the Dedicated Schools Budget, instead of the General Fund.
- Pan-London Homelessness Prevention Procurement Hub (“Capital Letters”) ref: SAV/PLA003/19-20 (£0.200m) – Savings made in this area will be attributable to the Housing Revenue Account (HRA), instead of the General Fund.
- Income Through Wi-Fi Concession Contract ref: SAV/RES07/18-19 (£0.300m) - This saving related to revenues generated from the rental of street furniture that was anticipated from the exclusive concession award for Wi-Fi. This approach has now been abandoned based on independent legal advice received. Despite this, the Council has made significant progress in delivering publicly accessible Wi-Fi at Council office buildings, Idea Stores, libraries and youth centres.

3.6.4 New savings have been identified for 2020-21 as well as future years. The high level summary of the proposed saving areas are detailed in Appendix 4. The 2020-21 budget position is balanced, albeit with the planned use of reserves to fund short-term priority investments agreed in earlier budget rounds.

3.6.5 The business rates income for Tower Hamlets since 2013-14 has included an extra amount of income to reward the level of local growth that has occurred since 2013-14 (the incentivising of growth by government by allowing local councils to retain a share of the growth). A proposed business rates reset by the Ministry of Housing, Communities and Local Government means that the baseline level will be raised in 2021-22 to the current level of business rates, and, therefore, Tower Hamlets will only retain extra income for growth that occurs above the new baseline expected level.

3.6.6 The effect of the business rate baseline reset is not confirmed, however the current estimate for Tower Hamlets is that business rates income could reduce by circa **£16m** in 2021-22 and we have, therefore, planned on that basis. New savings identified across 2021-23 reduce the MTFS impact of this estimated income reduction, however there remains a budget gap in both 2021-22 and 2022-23. Work is already underway to develop transformational Council-wide savings to eliminate this medium term budget gap.

Income generation through fees and charges

3.6.7 The current MTFS assumes that an additional £0.570m of general fund income will be generated through the Fees and Charges changes proposed for 2020-21. This contributes £0.125m estimated extra income to the 2020-21 MTFS position above the £0.445m allocated to the existing Debt Management & Income Optimisation savings target. The MTFS assumes further increases in fees & charges income for 2021-22 (£0.545m) and 2022-23 (£0.420m).

3.6.8 A separate report outlining the proposed changes to fees and charges for 2020-21 is provided elsewhere on the agenda.

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 to them. 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 going forward. Pressures in service demand are demonstrated in the Council's projected overspend for 2019-20, especially for children's and adults social care and special educational needs transport. A recovery plan is in place with the aim to reduce spend where appropriate, with a view to eliminating or at least minimising the need for a drawdown of general fund reserves.
- 3.7.3 Similarly there are opportunities to either reduce costs or increase income which will not, as yet, be fully factored into the planning assumptions. The main risks and opportunities are summarised below.

Risks

Regulatory Risk

- **Business Rate Reset** – A proposed business rates reset by the Ministry of Housing, Communities and Local Government (MHCLG) means that the baseline level will be raised in 2021-22 to the current level of business rates, and therefore Tower Hamlets will only retain extra income for growth that occurs above the new baseline expected level.
 - The target business rates amount since 2013-14 was set on cash amounts received in previous years. This created winners and losers depending on the timing of appeals. Tower Hamlets benefited from the methodology chosen, plus has benefitted from growth achieved locally since 2013-14.
 - It was always MHCLG's intention to update the target amounts. This was supposed to happen in 2019-20, so Tower Hamlets has gained by a further two years. Resets will occur periodically going forward also.
 - The growth is not lost to MHCLG, but will be redistributed based on need (within the funding formula) and Tower Hamlets will receive a share. Also Tower Hamlets should receive more resources going forward, if local growth continues.
 - The forecast reduction in business rates income for the Council in 2020-21 has been factored in to our planning.

General Economic Factors

- **Impact of decision to leave European Union (Brexit)** - London Boroughs are still determining the impact of leaving the EU under a range of scenarios. Some of the key points to consider whether financial provision may be required are:-
 - Potential workforce impact arising from direct or indirect employment of EU nationals.
 - Supply chains could be affected by any changes in procurement legislation, and there are potential cost implications associated with currency fluctuations that must be considered.
 - The implications for pension funds are mixed as global investment vehicles have already priced in much of the uncertainty, but valuations on balance sheets and the cost of borrowing may lead to greater vulnerability.
 - Commercial strategies may need to take into account the potential for any downturn in demand for properties in their investment portfolios which impact rental income and profitability.
- **Fair Funding Review** - The government has committed to reforming the way local authorities are funded. Its Fair Funding Review aims to introduce a new funding formula from April 2021.
- The government has said that the Fair Funding Review will:
 - set new baseline funding allocations for local authorities;
 - deliver an up-to-date assessment of the relative needs of local authorities;
 - examine the relative resources available to local authorities;
 - focus initially on the services currently funded through the local government finance settlement;
 - be developed through close collaboration with local government to seek views on the right approach.
- It is considered likely that London authorities will be adversely affected by the changes and it is therefore sensible to plan for a variation in funding levels even after allowing for transitional arrangements.

Other risks

- 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 Savings remains a key risk to the Council and will be monitored during the year

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 through a more commercial approach.

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 in 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 cash and bank balances to support its general spending plans.
- 3.8.8 Reserves are one-off money and, therefore, the Council generally 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:
- 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 of 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. The Local Authority receives its DSG allocation gross (including allocations relating to academies and post 16 provision), and then the Education & Skills Funding Agency (ESFA) recoups the actual budget for these settings to pay them direct, leaving a net or LA allocation.

- 3.9.2 The methodology for allocating the DSG to local authorities changed significantly in 2018-19. The DSG is now allocated through four blocks: The Schools Block, Central School Services Block, High Needs Block and Early Years Block. A new national funding formula was introduced for the first three in 2018-19 with the early years block funded by a new national formula from 2017-18.
- 3.9.3 As in 2019-20 the Schools Block allocation will be calculated on the basis of the national school funding formula reforms but will be aggregated and allocated to each Local Authority for local decisions on distribution.
- 3.9.4 In October 2019 the ESFA published provisional allocations for 2020-21 for the Schools Block, Central Services Block and the High Needs Block. The allocations will be updated in mid-December 2019 when the October 2019 pupil data becomes available. The Early Years Block allocation will be based on January 2020 pupil numbers and has not yet been published.
- 3.9.5 Growth in the Schools Block for 2020-21 is not included in the provisional allocations and will be calculated using a methodology introduced in 2019-20. The technical basis is that the DfE will count growing pupil numbers in Middle Super Output Areas between October 2018 and October 2019 and it will ignore reductions. The allocation using this methodology in 2019-20 was £1.496m
- 3.9.6 Three of the four DSG blocks are expected to increase in 2020-21. The schools and early years blocks are expected to grow at the funding floor of 1.84% per pupil/child; this is equivalent to the GDP deflator and therefore only covers inflation. The provisional High Needs Block shows an increase of £7.3m (14.3%).
- 3.9.7 There are a number of continuing 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 mainstream 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 places significant pressure on both the retained budget and schools' own budgets.
- 3.9.8 The High Needs Block overspent by £7m in 2018-19, offset by underspends in other blocks to give a net DSG overspend of £4.5m. Despite action to find savings the HNB overspend is projected to increase to £9.3m in 2019-20.
- 3.9.9 The increase in the provisional High Needs Block for 2020-21 will go some way to ease the pressure but is not in itself sufficient to remove it. Various savings in the block have been identified, including reductions in central services, the Council will also be consulting on reductions in special needs top-up funding.
- 3.9.10 Tower Hamlets' School Forum has agreed in principle to a transfer of the £1.1m headroom available in the 2020-21 Schools Block to the High Needs Block.

This will be reconsidered by Forum in January following consultation with all mainstream schools and the publication of the final Schools Block allocation in mid-December. Transfers can only be made on an annual basis.

3.9.11 The level of top-up in Tower Hamlets is high compared to similar local authorities. A limiting factor in reductions to top-up funding for special schools and alternative provision is the recently imposed change to the Minimum Funding Guarantee (MFG).

3.9.12 The Central Schools Services Block (CSSB) was 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.

3.9.13 In addition to the Central Schools Services Block, maintained 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, also contributions to support the Former Education Services Grant (ESG) General Duties which were removed by the government in 2017, the Council is obliged to carry out a number of statutory duties, for example in relation to financial regulation, asset management and the provision of information to government departments and agencies. Forum in December 2019 agreed to the de-delegation for former ESG services but deferred a decision on other de-delegation until the January meeting.

3.9.14 The table below sets out the provisional DSG allocation over the funding blocks for 2020-21. As the Early Years Block has not been announced the 2019-20 allocation has been increased by 1.84%.

Table 4 - Provisional Dedicated Schools Grant 2020-21 and DSG 2019-20

Block	2020-21	2019-2020	Change
	£m	£m	£m
Schools Block	263.680	259.150	4.530
CSSB	4.204	4.811	(0.607)
High Needs Block	58.060	50.777	7.283
Early Years Block	30.162	29.617	0.545
Total	356.106	344.355	11.751

Notes - Schools Block excludes Growth Fund (£1.496m in 19-20).

3.9.15 In principle transfers, if agreed at the 15th January Forum meeting, will realign the blocks as follows:

- Schools Block £262.580m
- High Needs Block £59.160m

3.9.16 In addition the Council receives, and passports fully to schools, funding for the pupil premium (£17.4m) and 6th form funding (£12.36m). Final allocations for the pupil premium will be confirmed in July 2020 and 6th form funding in March 2020.

3.9.17 Schools Forum on 15th January 2020 will be asked to recommend final changes to the schools funding formula and Minimum Funding Guarantee and to finalise de-delegation.

Additional funding for SEN

3.9.18 Capital provision to expand special needs provision has been programmed for the years 2018-19 to 2020-21. For Tower Hamlets this totalled £6.015m.

3.10 HOUSING REVENUE ACCOUNT (HRA)

Rent Setting Summary

3.10.1 Section 23 of the Welfare Reform and Work Act forced local authorities to implement a rent reduction of 1% for four years starting in 2016-17. The last year to which the rent reduction applies is 2019-20.

3.10.2 In September 2018 the government published a consultation entitled 'Rents for social housing from 2020-21' in which it set out its proposals for social rent policy from 2020/21. The proposals are that the Regulator of Social Housing's rent standard will, from 2020/21, apply to local authorities. This will mean that, in common with other Registered Providers (RPs), local authorities will be permitted to increase their rents by a maximum of CPI + 1% for at least five years. In line with this updated rent policy, the Mayor in Cabinet is asked to agree that a rent increase of CPI + 1% be implemented from the first rent week in April 1st 2020.

2020/21 Rent increase

3.10.3 The current year's budget for rents is £65,770,000. As a result of the rent increase and the movements in stock arising from property acquisitions and disposals (including right to buy sales), the 2020/21 budget is estimated at £64,840,000. September 2019 CPI was 1.7%, therefore the average increase is 2.7% which equates to an average weekly rent increase in 2020/21 of £2.94.

2020/21 Increase in Tenanted Service Charges

3.10.4 It is proposed that tenanted service charges be increased by 2.7%. This is consistent with the new Social Housing rent standard rent policy which

increases rents in line with the previous year's September Consumer Price Index +1%. In this case, the September 2019 CPI was 1.7%, which will lead to an average weekly increase in tenanted service charges of approximately £0.23. It should be noted that energy charges are billed separately based on actual costs incurred.

3.10.5 The current year's budget for tenanted service charges is £4,775,000. As a result of the proposed increase in charges and the movements in stock arising from property acquisitions and disposals (including right to buy sales), the 2020/21 budget is estimated at £5,080,000.

3.11 TREASURY MANAGEMENT STRATEGY

3.11.1 The Treasury Management Strategy Statement will be revised and presented to Full Council in February 2020 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.

3.11.2 The proposed prudential indicators set out in the Treasury Management Strategy will be based on the capital programme once finalised.

3.12 BUDGET CONSULTATION

3.12.1 The Council must undertake statutory budget consultation with Business Rate payers in the borough and it is also good practice to consult with Council Tax payers and a broad range of other stakeholders. In addition, meaningful consultation must take place with service users before any changes to service provision are implemented. Furthermore, the Council's budget framework sets out the need for the Overview and Scrutiny Committee to be fully involved in the setting of the Council's budget.

3.12.2 The Council launched the six week Your Borough Your Future budget consultation campaign on Friday, 25 October 2019. Your Borough Your Future provides the Council with an overarching brand identity for public consultations around budget setting. In the first instance, and for the purposes of this report, Your Borough Your Future relates to the general consultation run between 25 October and 5 December 2019, which sought to provide residents with details of the financial challenges the Council currently faces and requested feedback on priorities for Council services. It also asked how the Council should consider its approach in light of the budgetary pressures it faces.

3.12.3 A 'campaign narrative' was agreed with the Mayor and Cabinet which identified and articulated the key drivers for the council's approach via Your Borough Your Future. The key messages in this narrative are:

- Significant real terms government core funding cuts since 2010 and growing pressure on key public services mean the Council has to find an additional £39m of savings by 2023.

- Tough choices will have to be made to maintain good quality services, and to continue to support our most vulnerable residents including children and older people.
- The Council has made significant savings (£190m since 2010) while continuing to find ways to deliver cost effective services and generate income from additional sources.
- Residents and businesses were encouraged to get involved by giving their views on what matters most to them, and suggesting ways in which Tower Hamlets can do things differently to help make savings.

3.12.4 The campaign aimed to engage as many residents and businesses as possible during a six week consultation period. A wide range of high visibility communication methods were employed, including press releases, dedicated budget website content and consultation on the council website, major social media channel promotion, on-street advertising, plasma advertising screens in public buildings (including Idea Stores), as well as direct mail of a dedicated budget consultation booklet to every household in the borough. The campaign also ensured representative views were sought (i.e. there was opportunity for people from all parts of the borough and from different age groups and ethnicities to take part). The council employed a dual approach of self-selection (opting-in to the online consultation) and targeted outreach (via a telephone survey and face-to-face interviews) to ensure a representative set of responses.

3.12.5 The consultation on Your Borough Your Future started on Friday 25 October and closed on Thursday 5 December 2019. A total of 1,917 responses were received. Whilst most people identified with the demographic and geographic breakdown, not all demographic responses were fully completed and no assumptions have been made where these have been left blank.

3.12.6 Key findings of the Your Borough Your Future consultation include:

- Overall, children's services and education & protecting and supporting vulnerable children were the most valued services in Tower Hamlets.
- Protecting and supporting vulnerable children is seen as the most important service the council should prioritise.
- Over half felt the council should reduce spending on temporary agency staff as well as generating more commercial income.
- The majority felt that efficiency, availability and quality will decline as a result of further savings.
- Around half said it was most important for the council to make services more efficient.
- 38% support a general council tax rise of up to 2 per cent, with 51% opposed, and 12% don't know.
- Just under half (47%) were in favour of a 2% increase in council tax to support adult social care services; slightly more than opposed it.
- Around two-thirds support the council expanding its approach to income generation.

3.12.7 A detailed report of the budget consultation has been included in Appendix 6 of this report. This was considered by cabinet on the 18th December 2019 and informed the final budget proposals detailed within this report.

4 EQUALITIES IMPLICATIONS

- 4.1 The Equality Act 2010 requires the council, in the exercise of its functions to have due regard to eliminate unlawful discrimination, harassment and victimisation, advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not.
- 4.2 Tower Hamlets is a dynamic place where a thriving economy co-exists with high levels of poverty. The council is working to make the borough a safer, cleaner and fairer place to live and improve outcomes for local people however inequalities still exist. The borough is the second most densely populated local authority in the country with almost 19,000 people on the housing waiting list – the second highest in London – and 35,110 additional homes are needed over the next decade. There are significant health problems and the borough has the lowest life expectancy rates in London (disability-free) and 43 per cent of Year 6 children are overweight or obese. Tower Hamlets has the highest rates of child poverty in England at 32.5% and half of all residents aged 60+ live below the poverty line (three times the national rate). Coupled with this is the fact that Tower Hamlets has one of the fastest growing populations in the UK which is projected to rise from 323,700 in 2019 to 341,000 by 2023 and 376,300 in 2029.
- 4.3 These inequalities and rapid growth mean that ensuring equality is embedded throughout council plans, services and activities is the number one priority and at the heart of all decision making. To help meet its duty under the Equality Act the council undertakes equality impact assessments to analyse a proposed change in order to assess whether it has a disproportionate impact on persons who share a protected characteristic. As part of our budget setting process an equality impact assessment checklist is carried out on all new savings proposals to determine if a full equality impact assessment needs to be carried out.
- 4.4 The budget setting process for 2020-21 to 2022-23 has identified 17 savings proposals. Equality impact assessment checklists have been completed for all proposals and it has been determined that 11 of these will require a full equality impact assessment prior to a decision to implement being made. Details of the proposals are set out below:

Savings Proposal Reference	Savings Proposal Title	Directorate	Full Equality Impact Assessment Required?
SAV / HAC 001 / 20-21	Accommodation and Support for Single Homeless People	Health, Adults & Community	Yes
SAV / HAC 002 / 20-21	Merging of the PD Day Opportunities Service with the Riverside Day Service	Health, Adults & Community	Yes
SAV / HAC 003 / 20-21	Changes to the Adult Social Care Charging Policy	Health, Adults & Community	Yes
SAV / HAC 004 / 20-21	Integration of Tower Hamlets Short Term Support Services - Rehabilitation and Reablement	Health, Adults & Community	Yes
SAV / HAC 005 / 20-21	Technology-Enabled Care	Health, Adults & Community	No
SAV / CHI 001 / 20-21	Rationalisation and Development of Early Help Services from Conception to Age 25 in Youth and Commissioning	Children & Culture	Yes
SAV / CHI 002 / 20-21	Savings and Traded Delivery of Education & Partnership Services	Children & Culture	Yes
SAV / CHI 003 / 20-21	Transformation of Service Delivery provided by the Integrated Early Years' Service	Children & Culture	Yes
SAV / CHI 004 / 20-21	Transformation of Service Delivery Following the Youth Service Review	Children & Culture	Yes
SAV / CHI 005 / 20-21	Transformation of SEND Transport Commissioning	Children & Culture	Yes
SAV / PLA 001 / 20-21	Property Asset Strategy	Place	No
SAV / PLA 002 / 20-21	Deletion of Dedicated Business Assurance Function for Place Directorate	Place	No
SAV / PLA 003 / 20-21	New Town Hall Revenue Savings	Place	No
SAV / GOV 001 / 20-21	Legal Services	Governance	No
SAV / GOV 002 / 20-21	Modernisation of the Registration Service	Governance	No
SAV / RES 001 / 20-22	Revenues - Cashiers - reduce cash and cheque handling and eliminate the need for cheque printing	Resources	No
SAV / RES 002 / 20-21	Benefits Service – Centralisation of Assessments – Service Review and Restructure	Resources	Yes

- 4.5 As part of its budget setting process the council also consults with residents, businesses and community organisations to get their views in order to help shape the council's budget and council tax rate for 2020-21.
- 4.6 Increasing pressures on the councils limited finances mean that the council need to save an extra £39 million by 2023. This is a major challenge for the council which needs to give careful consideration to every penny spent while ensuring that equality remains at the heart of all decision making.

5. OTHER STATUTORY IMPLICATIONS

- 5.1 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.
- 5.2 The sustainable action for a greener environment implications of individual proposals in the budget are set out in the papers relating to those proposals.
- 5.3 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.
- 5.4 The crime and disorder implications of individual proposals in the budget are set out in the papers relating to those proposals.
- 5.5 Any safeguarding implications of individual proposals in the budget are set out in the papers relating to those proposals.

6. COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 As this report is primarily financial in nature the comments of the Chief Financial Officer have been incorporated throughout this report.
- 6.2 The government's Core Spending Power calculation makes assumptions about the level of growth in the Council Tax base and that authorities will increase Council Tax each year up to the referendum limit.
- 6.3 Not increasing the Council Tax in line with government assumptions could result in a growing financial pressure over the MTFS due to the impact on the Council's on-going tax raising base and also through the Fair Funding review where the government has indicated its preference to use a notional level of Council Tax rather than actual Council Tax levels to determine the extent of resources available to each authority.
- 6.4 Following receipt of the final settlement, the Chief Finance Officer (CFO) will need to be assured of the robustness of estimates and adequacy of reserves and this will be covered in the report to Cabinet on 29 January 2020.

7. COMMENTS OF LEGAL SERVICES

- 7.1 The Council is required by section 151 of the Local Government Act 1972 to make arrangements for the proper administration of its financial affairs. The budget planning represented in this report is consistent with this legal duty.
- 7.2 However, the adoption of the final budget is reserved as a non-executive decision of full Council in accordance with Section 19 (3) of Part B of the Constitution. Therefore, in order for the recommendations in this report to be effective, a positive decision of a meeting of full Council is required in accordance with the budget framework.
- 7.3 There are areas covered in the report where persons with a protected characteristic may be indirectly affected by changes to the budget for the purposes of the Equality Act 2010. However, where changes in the budgetary position result in a change to the delivery of a service, the effect on persons should be considered immediately prior to the making of a change to the service.

Linked Reports, Appendices and Background Documents

Appendices

- Appendix 1 Medium Term Financial Strategy Summary
- Appendix 2 Medium Term Financial Strategy Detail by Service Area
- Appendix 3 New Growth Proposals 2020-21 to 2022-23
- Appendix 4 New Savings Proposals 2020-21 to 2022-23
- Appendix 5 Reserves Policy
- Appendix 6 Budget Consultation 2020-21

Linked Report

- None

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

- None

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	2019-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000
Net Service Costs	343,730	342,560	352,846	346,915
Growth				
- Previously approved by Full Council	6,176	(5,450)	1,108	-
- New	-	13,372	(70)	2,520
Inflation				
- Previously approved by Full Council	7,500	8,233	6,500	-
- New	-	-	-	6,500
Savings				
- Previously approved by Full Council	(14,845)	(14,590)	(8,159)	-
- Write back of previously approved Savings by Full Council	-	4,822	69	74
- New	-	3,898	(5,379)	(7,172)
Total Funding Requirement	342,560	352,846	346,915	348,837
Revenue Support Grant	(33,281)	(33,947)	(33,947)	(33,947)
Retained Business Rates	(139,555)	(142,346)	(126,346)	(126,346)
Business Rates (London Pilot)	(4,000)	(1,439)	-	-
Council Tax	(100,331)	(108,438)	(116,148)	(124,406)
Core Grants	(56,393)	(62,609)	(57,609)	(57,609)
Total Funding	(333,561)	(348,779)	(334,050)	(342,308)
Budget Gap (excluding use of Reserves)	8,999	4,066	12,865	6,529
General Fund Reserve Contribution / Drawdown (+/-)	(8,999)	(4,066)	-	-
UNFUNDED GAP BEFORE ADDITIONAL SAVINGS	-	-	12,865	6,529
Additional Savings to be identified			(12,865)	(6,529)
EXPECTED BUDGET GAP	-	-	-	-

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Medium Term Financial Strategy 2019-2023 Detail by Service Area

Appendix 2

	2019-20		Savings		Growth		One Off Adjustments		2020-21		Savings		Growth		One Off Adjustments		2021-22		Savings		Growth		2022-23	
	Total	£'000	Approved	New	Approved	New	Approved	New	Total	£'000	Approved	New	Approved	New	Approved	New	Total	£'000	Approved	New	Approved	New	Total	£'000
Funding Requirement																								
Services																								
Health, Adults & Community	105,811		(1,190)	(132)	3,499	2,807	(2,804)	-	107,991	(1,700)	(791)	4,375	-	(477)	-	109,399	-	(550)	-	4,770	-	-	113,619	
Public Health	34,124		-	-	-	682	-	-	34,806	-	-	-	-	-	-	34,806	-	-	-	-	-	-	34,806	
Children & Culture	99,679		(1,500)	6	(2,032)	10,946	(120)	-	106,979	(300)	(2,218)	1,604	(400)	(2,031)	-	103,634	-	(1,327)	-	(2,250)	-	-	100,057	
Place	72,897		(3,380)	379	(1,978)	1,500	(1,716)	-	67,702	(329)	(1,135)	374	-	(2,522)	-	64,089	-	(525)	-	-	-	-	63,564	
Governance	14,697		-	-	-	-	-	-	14,697	-	(140)	-	330	(100)	-	14,787	-	(200)	-	-	-	-	14,587	
Resources	12,537		(2,120)	(80)	-	1,285	(300)	-	11,322	(200)	(650)	-	-	(115)	-	10,357	-	(200)	-	-	-	-	10,157	
Net Service Costs	339,745		(8,190)	173	(511)	17,220	(4,939)	-	343,498	(2,529)	(4,934)	6,353	(70)	(5,245)	-	337,073	-	(2,802)	-	2,520	-	-	336,791	
Corporate Costs																								
Capital Charges	6,839		-	-	-	-	-	-	6,839	-	-	-	-	-	-	6,839	-	-	-	-	-	-	6,839	
Levies	1,892		-	-	-	-	-	-	1,892	-	-	-	-	-	-	1,892	-	-	-	-	-	-	1,892	
Pensions	12,790		-	-	-	-	-	-	12,790	-	-	-	-	-	-	12,790	-	-	-	-	-	-	12,790	
Corporate Contingency	3,150		-	-	-	-	-	-	3,150	-	-	-	-	-	-	3,150	-	-	-	-	-	-	3,150	
Other Corporate Costs	(26,824)		(6,400)	3,725	-	974	-	-	(28,525)	(5,630)	(445)	-	69	-	(34,531)	-	(4,370)	-	74	-	-	(38,827)		
Net Corporate Costs	(2,153)		(6,400)	3,725	-	974	-	-	(3,854)	(5,630)	(445)	-	69	-	(9,860)	-	(4,370)	-	74	-	-	(14,156)		
Inflation	4,969		-	-	7,500	-	733	-	13,202	-	-	6,500	-	-	-	19,702	-	-	-	6,500	-	-	26,202	
Total Funding Requirement	342,560		(14,590)	3,898	6,989	18,194	(4,206)	-	352,846	(8,159)	(5,379)	12,853	(1)	(5,245)	-	346,915	-	(7,172)	-	9,094	-	-	348,837	
Funding																								
Revenue Support Grant	(33,281)					(666)			(33,947)							(33,947)							(33,947)	
Retained Business Rates	(139,555)		-	-	-	(2,791)	-	-	(142,346)	-	16,000	-	-	-	-	(126,346)	-	-	-	-	-	-	(126,346)	
Business Rates (London Pilot)	(4,000)		-	-	-	2,561	-	-	(1,439)	-	-	-	1,439	-	-	-	-	-	-	-	-	-	-	
Council Tax	(100,331)		-	(8,106)	-	-	-	-	(108,438)	-	(7,710)	-	-	-	-	(116,148)	-	(8,258)	-	-	-	-	(124,406)	
Core Grants																								
Public Health Grant	(34,124)		-	-	-	(682)	-	-	(34,806)	-	-	-	-	-	-	(34,806)	-	-	-	-	-	-	(34,806)	
New Homes Bonus	(3,182)		-	-	-	-	-	-	(3,182)	-	-	-	-	-	-	(3,182)	-	-	-	-	-	-	(3,182)	
School Improvement Monitoring and Brokering Grant	(200)		-	-	-	(150)	-	-	(350)	-	-	-	-	-	-	(350)	-	-	-	-	-	-	(350)	
Improved Better Care Fund	(12,777)		-	-	-	(383)	-	-	(13,161)	-	-	-	-	-	-	(13,161)	-	-	-	-	-	-	(13,161)	
Additional Improved Better Care Fund Grant	(2,074)		-	-	-	-	-	-	(2,074)	-	-	-	-	-	-	(2,074)	-	-	-	-	-	-	(2,074)	
Winter Pressures	(1,500)		-	-	-	-	-	-	(1,500)	-	-	-	-	-	-	(1,500)	-	-	-	-	-	-	(1,500)	
Social Care Support Grant	(2,500)		-	-	-	(5,000)	-	-	(7,500)	-	-	-	5,000	-	-	(2,500)	-	-	-	-	-	-	(2,500)	
Local Lead Flood	(36)		-	-	-	-	-	-	(36)	-	-	-	-	-	-	(36)	-	-	-	-	-	-	(36)	
Core Grants	(56,393)		-	-	-	(6,216)	-	-	(62,609)	-	-	-	5,000	-	(57,609)	-	-	-	-	-	-	-	(57,609)	
Total Funding	(333,561)		-	(8,106)	-	(7,112)	-	-	(348,779)	-	8,290	-	6,439	-	(334,050)	-	(8,258)	-	-	-	-	-	(342,308)	
Budget Gap (excluding use of Reserves)	8,999								4,066							12,865							6,529	
General Fund Reserve Contribution / Drawdown (+/-)	(8,999)								(4,066)															

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New Growth Proposals 2020-21 to 2022-23

Appendix 3

Title	Reference	Directorate	Strategic Priority Outcome	2020-21 £'000	2021-22 £'000	2022-23 £'000	Total £'000
Demographic pressures in adult social care	GRO / HAC 001 / 20-21	Health, Adults & Community	3. People access joined-up services when they need them and feel healthier and more independent	-	-	4,770	4,770
Children's social care post Ofsted	GRO / CHI 001 / 20-21	Children & Culture	2. Children and young people are protected so they can realise their potential	3,400	(400)	-	3,000
Children's social care – looked after children	GRO / CHI 002 / 20-21	Children & Culture	2. Children and young people are protected so they can realise their potential	1,262	-	-	1,262
SEND transport budget pressures and demographic growth	GRO / CHI 003 / 20-21	Children & Culture	1. People access a range of education, training, and employment opportunities	2,936	-	-	2,936
In-sourcing of waste services (employee costs)	GRO / PLA 001 / 20-21	Place	5. People live in a borough that is clean and green	1,300	-	-	1,300
Local Community Fund Mitigation (to reduce 2021-22 savings to allow investment in Local Community Fund)	GRO / GOV 001 / 20-21	Governance	8. People feel they are part of a cohesive and vibrant community	-	330	-	330
New Microsoft licenses for applications and servers	GRO / RES 001 / 20-21	Resources	11. The Council continuously seeks innovation and strives for excellence to embed a culture of sustainable improvement	905	-	-	905
Budget management IT system improvement and necessary hosting	GRO / RES 002 / 20-21	Resources	11. The Council continuously seeks innovation and strives for excellence to embed a culture of sustainable improvement	80	-	-	80

Unachievable Savings

Better targeting of services for Children with Special Educational Need and Disabilities (SEND) <i>Reversal of 2017-18 Approved Saving (SAV/ CHI 005 / 17-18)</i>	GRO / CHI 004 / 20-21	Children & Culture	1. People access a range of education, training, and employment opportunities	940	-	-	940
Early Years <i>Reversal of 2017-18 Approved Saving (SAV/ CHI 003 / 17-18)</i>	GRO / CHI 005 / 20-21	Children & Culture	2. Children and young people are protected so they can realise their potential	2,408	-	-	2,408
Pan-London Homelessness Prevention Procurement Hub ("Capital Letters") <i>Reversal of 2019-20 Approved Savings (SAV / PLA 003 / 19-20)</i>	GRO / PLA 002 / 20-21	Place	4. Inequality is reduced and people feel that they fairly share the benefits from growth	200	-	-	200
Income Through Wi-Fi Concession Contract <i>Reversal of 2018-19 Approved Saving (SAV/ RES 07 / 18-19)</i>	GRO / RES 003 / 20-21	Resources	9. The Council is open and transparent putting residents at the heart of everything we do	300	-	-	300

Achievement of Income Target through improved Council Tax Base

Budgeted increase in Council Tax Base (number of properties) - allocated against existing Debt Management & Income Optimisation saving	GRO / COP 001 / 20-21	Corporate Costs	9. The Council is open and transparent putting residents at the heart of everything we do	974	69	74	1,117
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Planned Removal of Agreed Short-Term Growth

Tower Hamlets Education Partnership (THEP)	GRO / CHI 002 / 19-20	Children & Culture	2. Children and young people are protected so they can realise their potential	-	-	(250)	(250)
Universal Free School Meals	GRO / CHI 004 / 19-20	Children & Culture	4. Inequality is reduced and people feel that they fairly share the benefits from growth	-	-	(2,000)	(2,000)

Core Grants

Improved Better Care Fund		Health, Adults & Community	3. People access joined-up services when they need them and feel healthier and more independent	2,074	-	-	2,074
Winter Pressures		Health, Adults & Community	3. People access joined-up services when they need them and feel healthier and more independent	733	-	-	733
Public Health Grant		Health, Adults & Community	3. People access joined-up services when they need them and feel healthier and more independent	682	-	-	682

Inflation

Contractual Inflation		Cross-Directorate	9. The Council is open and transparent putting residents at the heart of everything we do	-	-	3,400	3,400
Pay Award		Cross-Directorate	9. The Council is open and transparent putting residents at the heart of everything we do	-	-	3,100	3,100

Total Growth & Inflation	18,194	(1)	9,094	27,287
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GROWTH PROPOSAL

Proposal Title:	Demographic pressures in adult social care	Growth Type:	Budget Pressure
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Directorate:	Health, Adults & Community	Reference:	GRO / HAC 001 / 20-21
Service Area:	Adult social care	Strategic Priority Outcome:	3. People access joined-up services when they need them and feel healthier and more independent
Lead Member & Title:	Cllr Amina Ali, Cabinet Member for Adults, Health and Wellbeing	Lead Officer & Job Title:	Warwick Tomsett, Joint Director of Integrated Commissioning

Financial Impact:	Current Budget	Growth Breakdown by Financial Year			
	Budget 19-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	Total £'000
Employee Costs	-	-	-	-	-
Other Costs	74,383	-	-	4,770	4,770
Income	-	-	-	-	-
Total	74,383	-	-	4,770	4,770
Staffing Impact:					
Employees (FTE)	-	-	-	-	-

Proposal Summary:

Demographic pressures in adult social care have been recognised nationally as a growing concern for local authority budgets. The government has provided an increase in the Improved Better Care Fund (IBCF) and allowed local authorities to add a precept increase to council tax but demand for services continues to rise. In Tower Hamlets, the increase in funding from IBCF and the adult social care precept have historically been used to fund demographic and inflationary pressures in adult social care. However there is an increased level of uncertainty surrounding these funding streams in future years despite them being significant for the council. For example, a 2 per cent social care precept generates additional funding of between £1.8m - £1.9m for Tower Hamlets.

The demographic 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. National and local policy is designed to maintain independence for as long as possible through community based support, thus reducing the need for more costly residential services. However, more people are living longer with more complex needs.

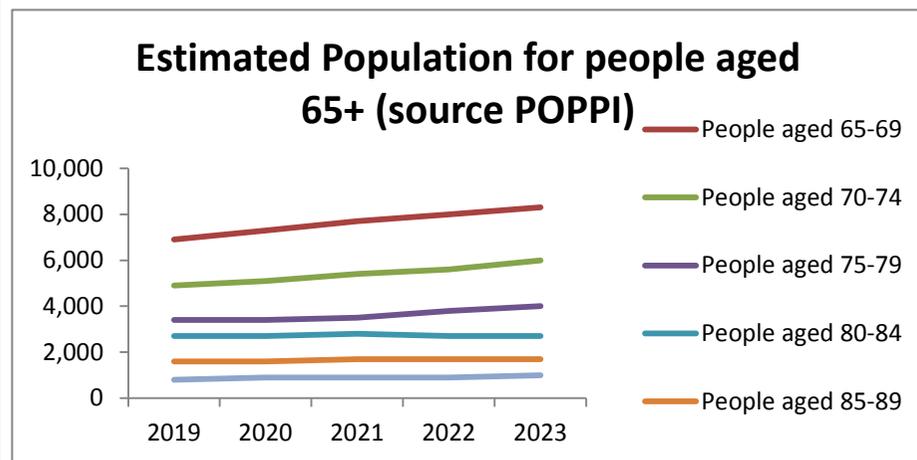
This increase in demand and resulting cost is subject to transformation work underway across health and social care services, through the Tower Hamlets Together partnership. This includes savings proposals detailed elsewhere, which are designed to make best use of resources across the system to provide community based support, reduce overall unit costs and ensure efficiencies through contracts with services. This includes joint funded packages of care where appropriate.

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.

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 GLA projections (2015 SHLAA capped household size), the borough's population is expected to grow by 22 per cent between 2016 and 2026. By 2021, the population is predicted to have increased to 337,600. While the projected growth is mainly in the lower working age range (people aged 30 to 49), 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.

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' (POPPI) 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 POPPI 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 demand for adult social care for older people and adults accessing physical disability and mental health services.



Budgeted Outcomes / Accountability (focus on improved performance):

This growth bid relates directly to the 2018-21 strategic plan outcome – people access joined-up services when they need them and feel healthier and more independent. It is aligned to the vision and aims of the 2017-20 ageing well in Tower Hamlets strategy, the 2017-20 living well learning disability strategy and the 2015-19 mental health strategy, which all aim to support people to be as healthy and independent as possible.

The bid is necessary to ensure the council can fulfil its statutory duties to residents needing care and support, as articulated in the 2014 Care Act. It relates to the outcomes for adult social care expected nationally, as set out in the adult social care outcomes framework.

Accountability in adult social care is set out in our local quality assurance framework. In terms of our accountability of residents, a key mechanism is the annual local account. This publication is produced every year and sets out the quality and performance of services over the preceding 12 months. It enables residents to scrutinise and challenge our performance.

Risks and Implications:

Older people services

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 2022. For 2022-23, the forecast growth rate is 4.1 per cent (using POPPI), giving a growth requirement in 2022-23 of £1.832m.

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 eight years. Separate inflationary growth is allowed for in the MTFs to cover rising unit costs in home care (related to the Ethical Care Charter and the annual uprating of the London Living Wage), but does not include any allowance for rising demand, which is dealt with here.

Physical disability services

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.

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 average rate of growth for this group between 2020 and 2025 is 2.7 per cent per year giving a growth requirement of £0.195m.

Learning disabilities services

18-25 years old (transitions)

Young people transitioning from children's to adult services are estimated using service data from the children with disabilities team and the community learning disability service (CLDS). Historically around 70-80 per cent of young people identified by children's services as having needs which may be met by adults services are found to be eligible for the CLDS in adult social care. Using the Year 9 tracking record that is maintained by CLDS, it is anticipated 52 people will turn 18 in 2019-20, 61 in 2020-21 and 70 in 2021-22. Using this trend, it can be anticipated that approximately 79 children will turn 18 in 2022-23. Given the average cost of a transition care package is £62,000, the growth requirement for 2022-23 estimated at £2.434m.

26-64 years old

To calculate the growth required for new clients aged between 18-64 years the actual cost of new clients who joined the service in 2018-19 is used to estimate what this may look like in 2022-23.

Given the estimated growth rate of learning disabilities in the Tower Hamlets population is 1.2% annually (per PANSI), this would result in expected growth in 2022-23 being £0.244m

Therefore the total growth requirement for these services in 2022-23 is £2.658m.

Mental health services

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 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 mental health clients, there are also particular pressures in Tower Hamlets on the number of mental health forensic placements, and there is also an increasing group of young people with mental health issues that will transition to adult social care. The average annual growth rate for mental health services is 1.2 per cent, which demonstrates a requirement of £0.085m.

If demographic growth was only funded in part, work to reduce overall expenditure would need to be developed to mitigate the impact of this in 2022-23. This would likely need to focus on demand management to reduce the level of social care support provided to all individuals by the council, so that the pressures of demographic growth could be contained within current budgets.

Value for Money and Efficiency:

The amount required for growth is intended to meet the assessed eligible needs of vulnerable individuals, including home care, 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 eligibility criteria are set nationally through 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.

Against the backdrop of increasing demographic and inflationary pressures, adult social care has set out to improve value for money by:

- Increasing the use of home care and direct payments to reduce and delay residential and nursing care placements.
- Improving the independence of service users through reablement (care after illness or hospital discharge) and employment opportunities.
- Utilising more supported accommodation, extra care sheltered housing and intensive housing support to reduce residential and nursing care placements.

Adult social care achieved £2.1m savings in 2018-19 and is forecasting to achieve a further £1.8m savings in 2019-20.

GROWTH PROPOSAL

Proposal Title:	Children's social care post Ofsted	Growth Type:	Budget Pressure
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Directorate:	Children & Culture	Reference:	GRO / CHI 001 / 20-21
Service Area:	Children's social care	Strategic Priority Outcome:	2. Children and young people are protected so they can realise their potential
Lead Member & Title:	Cllr Danny Hassell, Cabinet Member for Children, Schools and Young People	Lead Officer & Job Title:	Richard Baldwin, Divisional Director Children Social Care

Financial Impact:	Current Budget	Growth Breakdown by Financial Year			
	Budget 19-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	Total £'000
Employee Costs	27,500	1,600	(400)	-	1,200
Other Costs	15,300	1,800	-	-	1,800
Income	-	-	-	-	-
Total	42,800	3,400	(400)	-	3,000
Staffing Impact:					
Employees (FTE)	TBC	25	-6	-	19

Proposal Summary

Staffing - There was a service redesign in 2016, resulting in a growth bid of £1.597 million to realign the children's Social Care (CSC) staffing budget. Following the Ofsted inspection rating of 'inadequate' in early 2017, an improvement plan was developed that secured £4.7m one-off investment over two and a half years. The service has undergone major changes and improvements to successfully achieve a good rating in the 2019 inspection. To continue this standard of service delivery, CSC require an additional investment of £1.6m to increase its frontline social work establishment by 25 posts. These 25 posts were funded through the Ofsted improvement budget. This bid is requesting maintaining the current staffing levels, which have delivered the significant improvements seen over the past two years and endorsed by Ofsted

Placements - The placement budget is currently £15.8m with a projected overspend of £1.8m. The sufficiency strategy has had an impact on the numbers of older young people reducing within the high cost placements and younger children placements increasing. It should be noted that overall the 0-5 weekly unit cost has increased from £15.2k in 2017 to £46.5k in 2019 due to the mother and baby placements. These additional costs have therefore not produced an overall cost reduction for the service. Initial benchmarking data and exercises indicate that our current unit spend on children's social care sits towards the bottom of our statistical neighbours. We are currently ranked 11 out of 16 in terms of funding. Therefore, in terms of unit cost, many of our comparator local authorities now spend more on children's social care than we do in Tower Hamlets. .CSC has proposed a growth bid of £1.8m to realign its placement budget.

CSC will continue to implement previously agreed efficiency savings to offset some of the increased costs identified above. For example, we have already identified £1m of savings against the Social Work Academy and associated recruitment activity. These savings will come from turning current agency staff into permanent positions, through the recruitment, support and retention of newly qualified social workers, (and through the recruitment of experienced social workers over a three year period. This has previously been identified against the medium term financial strategy savings.

Budgeted Outcomes / Accountability (focus on improved performance):

The ability to maintain the existing staff numbers (through the retention and funding of the 25 FTE) will allow for caseloads to remain at the current rates, which are instrumental in delivering the quality of work that was highlighted within the Ofsted inspection.

Our current rate of children in care remains low and with good outcomes for young people and good levels of placement stability. The additional funding will ensure that the current level of service to these children is maintained and our most vulnerable children remain in safe, good quality placements.

Risks and Implications:

- Not agreeing this growth bid would result in needing to reduce the current 'looked after' population by between 50-60 young people to eliminate the current £1.8m pressure against this budget. This would mean raising thresholds to obtain these savings within the next 9-12 months. Ensuring that we only accommodated the number of young people provided for by the current budget would eradicate the current £1.8m pressure/overspend.
- A decision not to fund the 25 FTE additional social worker posts would lead to a rise in caseloads, which would impact on quality of practice and our ability to recruit permanent staff.

Value for Money and Efficiency:

While the council has invested heavily in CSC over recent years, the unit cost of the base budget is lower than most of our statistical neighbours. In 2018, bench-marking for CSC showed that the council ranked seventh out of our 16 statistical neighbours. This year, our unit cost ranking has fallen to eleventh out of 16, suggesting the service achieves good value for money despite growing demand.

GROWTH PROPOSAL

Proposal Title:	Children's social care – looked after children	Growth Type:	Budget Pressure
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Directorate:	Children & Culture	Reference:	GRO / CHI 002 / 20-21
Service Area:	Children's social care	Strategic Priority Outcome:	2. Children and young people are protected so they can realise their potential
Lead Member & Title:	Cllr Danny Hassell, Cabinet Member for Children, Schools and Young People	Lead Officer & Job Title:	Richard Baldwin, Divisional Director Children Social Care

Financial Impact:	Current Budget	Growth Breakdown by Financial Year			
	Budget 19-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	Total £'000
Employee Costs	-	-	-	-	-
Other Costs	15,369.2	1,262	-	-	1,262
Income	-	-	-	-	-
Total	15,369.2	1,262	-	-	1,262
Staffing Impact:					
Employees (FTE)	-	-	-	-	-

Proposal Summary

There is significant pressure on the looked after children (LAC) placement budget resulting from the increasing demand in placements due to demographic and population growth. Despite these increasing demographic pressures, the bench-marking of Children's Services against statistical neighbours show that the unit cost for Children's Services is considerably lower when these comparisons are made. When compared against 16 statistical neighbouring local authorities we rank 11 out of 16 for unit cost.

While unit costs are lower than other boroughs, the sufficiency strategy refresh conducted in January 2019 (looked after children detail 2018/19) demonstrated the increasing demand for LAC placements. From April 2018 to March 2019, an additional 27 LAC placements were required. A LAC placement has an average weekly cost of approximately £898.86. The increase in demand is expected to continue as the young population of the borough continues to grow.

In addition to these demographic pressures, the council will need to be accepting an increased number of un-accompanied asylum-seeking children (UASC). The percentage of UASCs to our child population will now be 0.8 per cent rather than 0.7 per cent due to continued pressures in the number of children entering the UK.

The council has also agreed to accommodate 10 'Dubs' children from refugee camps. All 10 children are now placed. The majority of these children will require considerable support and have additional needs. The estimated annual cost of these children is £545k. The Home Office funds each placement at £798 per week, therefore, we are expecting £414k in total. The shortfall that the council will have to fund for these 10 placements is £131k.

Budgeted Outcomes / Accountability (focus on improved performance):

The increase in budget allows the service to keep pace with projected increased demand due to the higher number of families living in the borough. This will ensure that we can continue to develop a range of placement options for the different needs of young people that require foster care.

Risks and Implications:

Without this growth, the demographic changes within our community may mean that increased demand for placements begins to outstrip our ability to recruit carers and to ensure that the support we offer to carers remains at an appropriate level. This support is crucial to keep the number of carers leaving our employment over the coming years to a minimum.

Value for Money and Efficiency:

The recruitment of 'in-house' foster carers is significantly better value for money than a reliance on agency placements. Funding that allow us to recruit and retain our pool of in house carers represents a more sustainable long-term strategy.

GROWTH PROPOSAL

Proposal Title:	SEND transport budget pressures and demographic growth	Growth Type:	Budget Pressure
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Directorate:	Children & Culture	Reference:	GRO / CHI 003 / 20-21
Service Area:	Education and partnership	Strategic Priority Outcome:	1. People access a range of education, training, and employment opportunities
Lead Member & Title:	Cllr Danny Hassell, Cabinet Member for Children, Schools and Young People	Lead Officer & Job Title:	Christine McInnes, Service Head Education & Partnership

Financial Impact:	Current Budget	Growth Breakdown by Financial Year			
	Budget 19-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	Total £'000
Employee Costs	603	400	-	-	400
Other Costs	4,515	2,536	-	-	2,536
Income	(201)	-	-	-	-
Total	4,917	2,936	-	-	2,936
Staffing Impact:					
Employees (FTE)	19	8	-	-	8

Proposal Summary

This proposal should be read in conjunction with the corresponding savings proposal SAV-CHI-005 - 20-21 Transformation of SEND transport commissioning

In 2018-19, special educational needs and disabilities (SEND) transport provided journeys to 762 pupils. The council has a statutory duty to provide home to school transport for children with SEND. The service is delivered by the transport services unit (TSU) which is part of the Place Directorate and provides buses, drivers and escorts, and through externally commissioned taxi providers.

This area faces a number of pressures.

Between 2015-16 and 2018-19, the number of children with SEND requiring transport increased by 22 per cent (from 626 in 2015-16 to 762 in 2018-19). SEND transport is a demand-led service. However, the council has control over the administration and the cost of the provision of transport.

The table below shows that the budget for the last four years on SEND transport was not increased in line with increased demand:

Year	Internal transport	Budget	External transport	Budget	Total
2018-19	385	£2,898,500	377	£1,459,600	£4,358,100
2017-18	400	£1,898,500	321	£1,259,600	£3,158,100
2016-17	419	£1,812,500	263	£1,173,600	£2,986,100
2015-16:	418	£1,812,500	208	£1,173,600	£2,986,100

An analysis of the budget for SEND transport shows that the actual spend on internal and external transport was approximately 31 per cent higher than the agreed budget for the last four financial years (2015-16 to 2018-19).

For 2019-20, the service is forecasting expenditure of £6.9 million which is 40 per cent over its general fund budget. Although the service will be undertaking in-year actions to alleviate the current budget pressures, these are unlikely to fully resolve the pressures.

SEND transport demography

Based on 10 per cent demographic growth, the proposed budget for SEND transport services is £436K. The proposal will improve our ability to meet the projected increase in demand for transport services, arising because of the borough's growing population and the increase in the number of children with an education, health and care plan (EHCP). Any changes in legislation etc, alongside the projected population increase, are projected to lead to an increase in the number of EHCPs. This will, in turn, lead to more resources required to transport children with an EHCP.

SEND budget pressure (transport services)

For 2020-21, SEND transport is predicting an overspend of £2.5m (£1.5 m in historical pressures and the cessation of the 2019-20 £1m one-off growth funding).

This growth bid requests funding of £2.5m in 2020-21. A separate SEND transport transformation review is being conducted to explore options for containing future overspends but these will not be resolved until the review and the subsequent action plan delivers a full set of outcomes. The plan aims to reduce the pressure by £0.5m in 2021-21 and a further £0.5m in 2022-23. A separate savings proposal has been submitted in conjunction with this growth bid for the £1m savings.

SEND budget pressure (staffing)

One-off growth of £0.4m was provided in 2017-18, funding additional posts to manage the increased workload of converting statements of special educational needs into EHCPs, following the change in law.

In addition to the budget pressure in SEND transport, there is also a corresponding budget pressure against the SEND staffing budget. EHCP rates have grown at approximately 14 per cent per year for the last three years and the temporary staff have remained in post to deal with the increase of EHCPs due to growth in client numbers. In addition to this, the council now has over 3,000 children and young people with EHCPs and these are all required to be reviewed on an annual basis. The staff who have remained have supported the work to ensure that 20 week statutory deadlines for assessment continue to improve and that guidance around annual reviews can be followed.

Budgeted Outcomes / Accountability (focus on improved performance):

A review is being undertaken to agree actions to deliver a transformed SEND transport offer. The action plan will propose changes to the arrangements for SEND transport policy, governance, financial monitoring, procedural redesigns and the introduction of a new approach to commissioning best value taxi routes.

It is anticipated that the action plan will support the reduction of the current budget pressures that apply to SEND transport and that they will drive down future cost pressures supporting effective demand management and ultimately achieve a balanced budget.

Risks and Implications:

If the budget pressure is not realised, SEND transport is at risk of failing to deliver its statutory obligations to transport children.
Continued expenditure against the SEND transport budget risks officers being non-compliant to local authority financial regulations.
Failure to regularise the SEND general fund will result in continued requests for further growth.

Failure to maintain the current staffing levels in SEND would risk a failure to comply with the SEND Code of Practice, which describes how the Children and Families Act 2014 should be implemented for children and young people with SEND. This will result in an increase in tribunals and a service that does not meet the needs of this vulnerable group.

Value for Money and Efficiency:

The growth bid is intended to reduce the current budget pressure. A separate savings proposal has been submitted in conjunction with this growth bid for the £1m savings, £0.5m in 2021-21 and a further £0.5m in 2022-23.

GROWTH PROPOSAL

Proposal Title:	In-sourcing of waste services (employee costs)	Growth Type:	Unavoidable Growth
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Directorate:	Place	Reference:	GRO / PLA 001 / 20-21
Service Area:	Public realm	Strategic Priority Outcome:	5. People live in a borough that is clean and green
Lead Member & Title:	Cllr David Edgar, Cabinet Member for Environment	Lead Officer & Job Title:	Mark Griffin, Waste Mobilisation Advisor

Financial Impact:	Current Budget	Growth Breakdown by Financial Year			
	Budget 19-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	Total £'000
Employee Costs	-	1,300		-	1,300
Other Costs	19,509	-	-	-	-
Income	-	-	-	-	-
Total	19,509	1,300	-	-	1,300
Staffing Impact:					
Employees (FTE)	-	-	-	-	-

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Proposal Summary:

This growth bid relates to potential employee costs arising from the in-sourcing of waste services and informed by the following:

- The contribution towards staff pension costs in the original projections was 15.6 per cent based on information provided. The latest advice is that the contribution level should be 19.9 per cent. This equates to an additional cost of approximately £500k.
- Recent salary increases approved by Veolia, post the Cabinet report, include a 4.5 per cent increase for contract staff in 2018/19. Given that the inflationary increases to the salary budget for the authority was set at 2 per cent, this creates a budget differential of approx. £200k.
- The projection for sickness cover estimate has been revised adding approximately £250k of cost to the current projection.
- The overtime rate for Sunday, bank holiday and night cover has been amended to reflect terms currently received by Veolia operatives. Additional approx. £150k
- The projection is based on the current Veolia establishment of approximately 330 employees.

The full implication of such costs will not be confirmed until later in the mobilisation programme. Officers are assessing the available information from Veolia to calculate the impact of the 2019/20 Veolia pay award for operatives and the consolidation of bonuses. A further analysis will be required after the Veolia managers pay award in January 2020. A budget contingency of £200k has also been factored into this bid.

Budgeted Outcomes / Accountability (focus on improved performance):

In-sourcing provides direct management of resources and a completely transparent service where operational performance can be clearly judged and influenced by actions taken by operational management in line with the council's strategic plans. The bid is a contingency to ensure that resources are available to fund the operational costs of the service.

Risks and Implications:

The mobilisation of in-house waste services is a key corporate project with significant implications for the delivery of frontline operations. The bid aims to provide a contingency should pension and salary costs exceed current estimates and will be incorporated into the service budgets.

Value for Money and Efficiency:

The costs will be calculated in line with pension regulations and current contractual obligations arising from Veolia's current operations.

GROWTH PROPOSAL

Proposal Title:	Local Community Fund Mitigation	Growth Type:	Mayoral Priority
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Directorate:	Governance	Reference:	GRO / GOV 001 / 20-21
Service Area:	Strategy, Policy and Performance	Strategic Priority Outcome:	8. People feel they are part of a cohesive and vibrant community
Lead Member & Title:	Cllr Candida Ronald, Cabinet Member for Resources and the Voluntary Sector	Lead Officer & Job Title:	Sharon Godman, Divisional Director Strategy, Policy and Performance

Financial Impact:	Current Budget	Growth Breakdown by Financial Year			
	Budget 19-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	Total £'000
Employee Costs	-	-	330	-	330
Other Costs	-	-	-	-	-
Income	-	-	-	-	-
Total	-	-	330	-	330
Staffing Impact:					
Employees (FTE)	-	-	-	-	-

Proposal Summary:

Cabinet in July 2019 agreed a new funding programme for the voluntary and community sector called the Local Community Fund (LCF). Through this fund the Council has allocated £2.66m to organisations to deliver a range of services to local residents. The LCF Equality Analysis identified a range of mitigating actions that will need to be delivered to ensure the programme does not have adverse impact on particular equalities groups. This included young carers, young people with mental health issues, young people with disabilities, older people and the Somali community.

This proposal is to reverse saving proposal (reference SAV / ALL 006/ 19-20) agreed as part of 19-20 savings proposal to deliver the mitigations actions agreed by Cabinet in July 2019. The LCF mitigation will cost £330k per annum which is being costed through discussions with organisations. The majority of the mitigations have already been identified and set out in the report to Cabinet in July. Any additional funding above the growth bid will be delivered through reallocation of existing funding within the service.

Budgeted Outcomes / Accountability (focus on improved performance):

The proposal will support delivery of strategic priorities including reducing inequalities and building a more cohesive community. It supports the Council's commitment set out in the Voluntary and Community Sector Strategy to develop a vibrant local voluntary and community sector. It will ensure vulnerable people are supported to live healthy and independent lives and help deliver better outcomes.

Risks and Implications:

The Equality Analysis of LCF sets out the risks to vulnerable groups and through the delivery of the mitigating actions we will be able to address these. The Council has a legal duty under the Equality Act 2010 to address any inequality that may arise as a result of a decision and through the delivery of the mitigating actions we will be able to meet our duty.

Value for Money and Efficiency:

All mitigating actions will be costed and analysed to ensure they deliver value for money and build on the existing performance regime. This will be monitored and reported to Grants Determination Committee as appropriate.

GROWTH PROPOSAL

Proposal Title:	New Microsoft licenses for applications and servers	Growth Type:	Unavoidable Growth
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Directorate:	Resources	Reference:	GRO / RES 001 / 20-21
Service Area:	IT	Strategic Priority Outcome:	11. The Council continuously seeks innovation and strives for excellence to embed a culture of sustainable improvement
Lead Member & Title:	Cllr Candida Ronald, Cabinet Member for Resources and the Voluntary Sector	Lead Officer & Job Title:	Adrian Gorst, Divisional Director IT

Financial Impact:	Current Budget	Growth Breakdown by Financial Year			
	Budget 19-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	Total £'000
Employee Costs	-	-	-	-	-
Other Costs	526	905	-	-	905
Income	-	-	-	-	-
Total	526	905	-	-	905
Staffing Impact:					
Employees (FTE)	-	-	-	-	-

Proposal Summary

The council makes extensive use of Microsoft products and services including the Windows operating system, Word, Excel, PowerPoint, Exchange and Outlook for emails and our application servers. We anticipate significant cost increases when we renew our three year contract in 2020:

- A catch-up of price increases we've been protected from in the current contract
- A move from per computer to per user licencing
- Additional functionality to support new ways of working and maintain security
- An increasing number of people using IT with the implementation of new kit.

We continue to seek mitigations to offset these cost increases including working with Crown Commercial services to challenge the 55 per cent price rise if we retain any of our existing technology rather than upgrading and an improved process to ensure accounts are frozen and licences reused promptly when staff leave.

The proposal is to procure three year licences for Microsoft applications and servers with costs at minimum of £1.244 million to £1.431m per year, allowing 15 per cent contingency. The licences need to be renewed to deliver the council's IT services and move away from the old onsite data centre based infrastructure, to a modern cloud based service.

The figures below show the current costs against the future figures. The 55 per cent discount on commercial price we currently enjoy is no longer available if we remain on our existing systems, so additional costs apply regardless of transformation.

2019-2020	2020-2021	Increase
£526,000	£1,431,000	£905,000

Budgeted Outcomes / Accountability (focus on improved performance):

The new licensing agreement with Microsoft will modernise and transform the council's IT infrastructure, enabling a reliant and effective IT service. It will also provide effective mobile and flexible working, as well as more homeworking, thereby reducing desk space requirements. Moreover, the new Microsoft contract and adding cloud based Office 365 will allow sharing and collaborative working in and outside of the workplace. Additional costs apply regardless as the discount on licencing our existing estate ends in 2020.

Risks and Implications:

It is imperative to renew - these licences run and operate the council's services that are reliant on IT. Moreover, cloud based IT services transformation would be at risk if the council does not move away from onsite IT infrastructure. The cloud services will also support the move to the new town hall. Furthermore, the costs of onsite licences are higher, with no discount available. We need to improve our joiners and leavers processes to ensure per-user licences are added and removed promptly.

Value for Money and Efficiency:

The cloud based IT infrastructure will provide more reliable, secure and effective IT services than the current onsite setup. It will be more cost effective in the long run, as suppliers like Microsoft are offering their cloud based services at a discounted rate to encourage take up, while all discounts are removed from existing on premise services. Moreover, it will provide employees flexibility and better collaborative working, which is not available under the current setup.

It will support staff to provide a more effective and efficient service to our residents.

GROWTH PROPOSAL

Proposal Title:	Budget management IT system improvement and necessary hosting	Growth Type:	Unavoidable Growth
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Directorate:	Resources	Reference:	GRO / RES 002 / 20-21
Service Area:	Finance	Strategic Priority Outcome:	11. The Council continuously seeks innovation and strives for excellence to embed a culture of sustainable improvement
Lead Member & Title:	Cllr Candida Ronald, Cabinet Member for Resources and the Voluntary Sector	Lead Officer & Job Title:	Kevin Bartle, Divisional Director, Finance, Audit and Procurement

Financial Impact:	Current Budget	Growth Breakdown by Financial Year			
	Budget 19-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	Total £'000
Employee Costs	-	-	-	-	-
Other Costs	320	80	-	-	80
Income	-	-	-	-	-
Total	320	80	-	-	80
Staffing Impact:					
Employees (FTE)	-	-	-	-	-

Proposal Summary:

The main objective of this proposal is to: upgrade the council's core finance system to the current release of the software; to host the solution with an appropriately skilled and experienced provider; and to secure appropriate support arrangements for both the upgrade and ongoing support of the solution.

The council's core finance solution will be fully supported by the software provider and securely hosted on an up to date platform with appropriate resilience/ business continuity arrangements / failover arrangements in place.

The current version of the software is no longer supported by the software provider and the current contract for hosting and support cannot be renewed beyond 31 March 2021. In July 2019, a major incident highlighted the limitations of, and risks around the current arrangements.

There are significant risks of operating the council's core financial system without the full support of the software provider. The existing technology platform is reaching the end of physical life and the existing contract cannot be further extended. The approach to seek new hosting and support provider(s) before the software upgrade is delivered ensures that the upgrade is delivered by a provider(s) who will have an ongoing interest in the success of the solution.

Costs are estimated at this stage and will not be fully validated until procurement process progresses further.

Budgeted Outcomes / Accountability (focus on improved performance):

This proposal will deliver a stable, up to date solution supported by expert provider(s). This proposal will position the council to move forward with effective financial processes and control which can be further enhanced or optimised through a process of continuous improvement rather than further major projects.

The solution will be more stable and screen response times should improve but measurement of this area is extremely subjective. The later versions of the software offer a more intuitive user interface and processes through user experience packs. Although it is unlikely that the requirement for user training will completely disappear, more intuitive software and processes will reduce this overhead significantly. System availability during core working hours would be expected to be 99.9 per cent or above.

Risks and Implications:

The current contract for support and hosting of the council's Unit4 Business World (previously known as Agresso) ends in March 2021. It has previously been extended and further extension is not viable. We could work with the current provider (Agilisys) to upgrade to the current release of Agresso but there would be a significant risk that the work would not be completed and fully embedded and stabilised before the procurement process has to begin to ensure a new contract / provision is safely in place before the end of the existing contract on 31 March 2021.

There are significant and obvious implications of any failure of the council's core finance solution including a lack of ability to pay suppliers, invoice customers and meet other financial obligations in a timely manner.

Value for Money and Efficiency:

A majority of the costs of this work are around achieving compliant and reliable solutions rather than efficiency / value for money but up to date and well managed software will ensure a sound base with improved response times from which the council can move forward on a continuous improvement basis.

New Savings Proposals 2020-21 to 2022-23

Appendix 4

Title	Reference	Directorate	Strategic Priority Outcome	2020-21 £'000	2021-22 £'000	2022-23 £'000	Total £'000
Accommodation and support for single homeless people	SAV / HAC 001 / 20-21	Health, Adults & Community	3. People access joined-up services when they need them and feel healthier and more independent	-	(343)	(350)	(693)
Merging of the physical disability day opportunities service with the Riverside Day Service	SAV / HAC 002 / 20-21	Health, Adults & Community	3. People access joined-up services when they need them and feel healthier and more independent	-	(316)	-	(316)
Changes to the adult social care charging policy	SAV / HAC 003 / 20-21	Health, Adults & Community	1. People access a range of education, training, and employment opportunities	(132)	(132)	-	(264)
Integration of Tower Hamlets short-term support services - rehabilitation and reablement	SAV / HAC 004 / 20-21	Health, Adults & Community	3. People access joined-up services when they need them and feel healthier and more independent	-	-	(100)	(100)
Technology-enabled care	SAV / HAC 005 / 20-21	Health, Adults & Community	3. People access joined-up services when they need them and feel healthier and more independent	-	-	(100)	(100)
Rationalisation and development of early help services from conception to age 25 in youth and commissioning	SAV / CHI 001 / 20-21	Children & Culture	1. People access a range of education, training, and employment opportunities	-	(512)	-	(512)
Savings and traded delivery of education and partnership services	SAV / CHI 002 / 20-21	Children & Culture	1. People access a range of education, training, and employment opportunities	-	(506)	(110)	(616)
Transformation of service delivery provided by the integrated early years service	SAV / CHI 003 / 20-21	Children & Culture	2. Children and young people are protected so they can realise their potential	(494)	-	(406)	(900)
Transformation of service delivery following the youth service review	SAV / CHI 004 / 20-21	Children & Culture	2. Children and young people are protected so they can realise their potential	-	(500)	-	(500)
Transformation of SEND transport commissioning	SAV / CHI 005 / 20-21	Children & Culture	1. People access a range of education, training, and employment opportunities	-	(500)	(500)	(1,000)
Property Asset Strategy	SAV / PLA 001 / 20-21	Place	11. The Council continuously seeks innovation and strives for excellence to embed a culture of sustainable improvement	-	(1,000)	-	(1,000)
Deletion of dedicated business assurance function for Place Directorate	SAV / PLA 002 / 20-21	Place	11. The Council continuously seeks innovation and strives for excellence to embed a culture of sustainable improvement	(56)	-	-	(56)
New Town Hall revenue savings	SAV / PLA 003 / 20-21	Place	11. The Council continuously seeks innovation and strives for excellence to embed a culture of sustainable improvement	-	-	(225)	(225)
Legal services	SAV / GOV 001 / 20-21	Governance	13. Not aligned with Strategic outcome	-	(100)	(200)	(300)
Modernisation of the Registration Service	SAV / GOV 002 / 20-21	Governance	12. Not aligned - Statutory function	-	(40)	-	(40)
Revenues - Cashiers - reduce cash and cheque handling and eliminate the need for cheque printing	SAV / RES 001 / 20-22	Resources	11. The Council continuously seeks innovation and strives for excellence to embed a culture of sustainable improvement	(130)	-	-	(130)
Benefits service – centralisation of assessments – service review and restructure	SAV / RES 002 / 20-21	Resources	12. Not aligned - Statutory function	(600)	(100)	(100)	(800)
Fees & Charges	SAV / ALL 001 / 20-21	Cross-Directorate	9. The Council is open and transparent putting residents at the heart of everything we do	(125)	(545)	(420)	(1,090)

Reprofiling of Agreed Savings

Sharing Costs with CCG for Children with Disabilities <i>Reprofiling of agreed savings (SAV/CHI 004/19-20)</i>	SAV / CHI 008 / 20-21	Children & Culture	2. Children and young people are protected so they can realise their potential	500	(200)	(311)	(11)
Review of Parks <i>Reprofiling of agreed savings (SAV/PLA 05/18-19)</i>	SAV / PLA 005 / 20-21	Place	5. People live in a borough that is clean and green	300	-	(300)	-
Street Lighting Efficiencies <i>Reprofiling of agreed savings (SAV/PLA 04 / 18-19)</i>	SAV / PLA 006 / 20-21	Place	5. People live in a borough that is clean and green	135	(135)	-	-
ICT Savings <i>Reprofiling of agreed savings (SAV/RES 05 / 18-19)</i>	SAV / RES 003 / 20-21	Resources	11. The Council continuously seeks innovation and strives for excellence to embed a culture of sustainable improvement	550	(550)	-	-
Finance Services – Process improvements and new Finance System Implementation <i>Reprofiling of agreed savings (SAV/RES 06 / 18-19)</i>	SAV / RES 004 / 20-21	Resources	10. The Council works collaboratively across boundaries in strong and effective partnerships to achieve the best outcomes for residents	100	-	(100)	-
Contract Management Efficiencies <i>Reprofiling of agreed savings (SAV/CORP 02 / 18-19)</i>	SAV / ALL 001 / 20-21	Cross-Directorate	11. The Council continuously seeks innovation and strives for excellence to embed a culture of sustainable improvement	2,850	(900)	(1,950)	-
Greater Commercialisation <i>Reprofiling of agreed savings (SAV/ALL 007 / 19-20)</i>	SAV / ALL 002 / 20-21	Cross-Directorate	11. The Council continuously seeks innovation and strives for excellence to embed a culture of sustainable improvement	1,000	1,000	(2,000)	-

Total Savings	3,898	(5,379)	(7,172)	(8,653)
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SAVINGS PROPOSAL

Proposal Title:	Accommodation and support for single homeless people		
Directorate:	Health, Adults & Community	Reference:	SAV / HAC 001 / 20-21
Service Area:	Integrated commissioning	Strategic Priority Outcome:	3. People access joined-up services when they need them and feel healthier and more independent
Lead Member & Title:	Cllr Amina Ali, Cabinet Member for Adults, Health and Wellbeing	Lead Officer & Job Title:	Warwick Tomsett, Joint Director, Integrated Commissioning

Financial Impact:	Current Budget	Net Saving / Income Breakdown				Staffing Impact:	
	Budget 19-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	Total £'000	Current FTE 2019-20	-
	4,872	-	343	350	693	Total FTE Reductions	-

Proposal Summary:

The council currently spends £4.872 million per annum on accommodation based and floating support services for vulnerable residents who are experiencing, or have experienced, homelessness and rough sleeping. The services currently commissioned include support in seven hostels in the borough, providing a total of 450 bed spaces and a floating support service that engaged with around 350 people during 2018/19, providing a range of different support types. None of these services are required by statute, although they do support the delivery of a range of statutory duties relating to homelessness as well as potentially reducing demand for adult social care and substance misuse services.

Consideration has been given to whether it may be possible to reduce the level of support provided in each of the seven hostels to reduce expenditure. The hostels are, however, supporting people with increasingly complex levels of need and reducing levels of support are very likely to lead to unacceptable levels of risk for residents and staff.

It is therefore proposed to make changes to two of the services that support people with lower levels of need, decommissioning one of the low support hostels and reducing the capacity of the floating support service.

The Hackney Road project is a 35 bed hostel for residents with relatively low levels of support needs comparative to the other six hostels in the borough. The annual value of the contract is £466k. The current provider of the support service at the hostel does not own the building – it is owned by a separate housing association and it may be possible to work with this owner to consider alternative uses for the building that would continue to support the council's work to tackle homelessness and rough sleeping.

Similarly, the floating support service supports individuals with varying levels of need to sustain their social housing or private rented sector tenancies once they have moved on from a hostel or other supported housing setting. The floating support service also works with individuals housed directly into private rented sector accommodation from the street. The service works closely with a number of other outreach services including similar mental health floating support services and services provided through Reset and other substance misuse services. It would be possible to look at ways in which these other commissioned services could incorporate elements of the tenancy support that the floating support service currently provides. This may bring benefits for individuals in terms of reducing the number of services and workers they are expected to engage with. The annual value of the contract is £497k. It is proposed to reduce this by half.

Decommissioning the Hackney Road project and reducing the floating support service would reduce the number of available bed spaces in the borough by 35, from 450 to 415, and would also mean a reduction in the number of people seen by the floating support service per year. Some of these people would need to be redirected to other forms of open access and/or specialist support services. It may be possible to work with the remaining hostel providers to develop alternative drop-in models, within existing resources, to provide some support to this group of people. The reduction in bed numbers would need to be offset by the securing of additional private rented sector or similar accommodation, which would be funded through housing benefit. There will also be opportunities to further refine the admission criteria for other hostels in the borough to ensure that remaining provision is utilised as fully as is practicably possible and that those most in need continue to be prioritised for accommodation.

The proposed reduction of capacity of 50 per cent in the floating support service would reduce the overall cost of the service to an estimated £270k, generating a saving of £227k. It would also be possible to implement this reduction with a full year effect from April 2021.

Significant engagement with a range of stakeholders would be required to manage the change successfully and in a way that minimised the impact on service users.

A benchmarking exercise found that Tower Hamlets has the second highest number of commissioned hostel bed spaces among the six inner London boroughs benchmarked against (Newham, Tower Hamlets, Westminster, Camden, Lambeth and Hackney). Tower Hamlets currently has 450 hostel bed spaces, second only to Westminster which has 652. Neighbouring Hackney has 200 and Newham has 163.

Risk and Mitigations:

The key risk relates to the reduction of capacity to support local people who are homeless, including rough sleepers, at a time of increasing levels of homelessness being experienced. Retaining a floating support service, albeit at 50 per cent of current capacity, rather than fully decommissioning it, will provide a means of mitigating this risk.

The achievable saving has been modelled on the basis that the saving would be delivered from quarter four of 2020/21 to provide sufficient time to undertake the necessary stakeholder engagement and to allow for contractual termination notices to be issued.

Given the complexity of the individuals using the current services, it is not possible to quantify the cost that this proposal will create for adult social care and community safety. However, it is anticipated there will be some adverse impact.

Resources and Implementation:

Officer time to undertake more detailed impact modelling work will be required.

Officer time will also be required to undertake the necessary stakeholder engagement.

Legal support will be required in order to ensure that all necessary contractual termination processes are duly executed.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Proposal Title:	Accommodation and support for single homeless people		
Directorate:	Health, Adults & Community	Reference:	SAV / HAC 001 / 20-21
Service Area:	Integrated commissioning	Strategic Priority Outcome:	3. People access joined-up services when they need them and feel healthier and more independent
Lead Member & Title:	Cllr Amina Ali, Cabinet Member for Adults, Health and Wellbeing	Lead Officer & Job Title:	Warwick Tomsett, Joint Director, Integrated Commissioning

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	No	
Does the change reduce resources available to support vulnerable residents?	Yes	The proposals as set out would reduce the availability of temporary accommodation in the borough for vulnerable people, as well as reducing the availability of support for vulnerable individuals living in other forms of temporary accommodation. A proportion of those individuals will have characteristics, such as disability, protected under the Equality Act 2010.
Does the change involve direct impact on front line services?	Yes	The proposals as set out would reduce the availability of accommodation and support services that play a part in enabling the council to meet its homelessness and housing duties. This may impact on frontline council services, including the housing needss, mental health, substance misuse, social care and health services.
Changes to a Service		
Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	Yes	The proposals as set out would reduce access to supported accommodation for vulnerable residents as well as reducing access to support services for individuals living in other forms of temporary accommodation.
Changes to Staffing		
Does the change involve a reduction in staff?	Yes	Further work is needed to identify the full impact of the proposals and this will need to be carried out with relevant stakeholders. There is a strong possibility that staff in commissioned services will be reduced.
Does the change involve a redesign of the roles of staff?	Yes	Further work is needed to identify the full impact of the proposals and this will need to be carried out with relevant stakeholders. It may be necessary to consider the roles of some staff due to the changing nature of the service.

Summary:

To be completed at the end of completing the Screening Tool.

Based on the Screening Tool, will a full EA will be required?

Yes

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Merging of the physical disability day opportunities service with the Riverside Day Service
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Directorate:	Health, Adults & Community	Reference:	SAV / HAC 002 / 20-21
Service Area:	Adult social care	Strategic Priority Outcome:	3. People access joined-up services when they need them and feel healthier and more independent
Lead Member & Title:	Cllr Amina Ali, Cabinet Member for Adults, Health and Wellbeing	Lead Officer & Job Title:	Claudia Brown, DD Adult Social Care Christine Oates, Localities Service Manager

Financial Impact:	Current Budget	Net Saving / Income Breakdown				Staffing Impact:	
	Budget 19-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	Total £'000	Current FTE 2019-20	15.2
	732	-	316	-	316	Total FTE Reductions	7.2

Proposal Summary:

The physical disability day opportunities service based in Stepney Way provides for up to 15 service users per day that come from a range of communities within the borough and present with a variety of long-term health conditions. Most users are within the working age category, i.e. below the age of 65 but the age range of the current attendees is from 28 to 67 years. All users have an allocated key worker within the service to ensure continuity of care and support and help foster meaningful relationships to encourage users to express their needs and achieve the goals of their support plan. User numbers have fallen, particularly over the last five years, and the current number of users on the register is 19. The maximum planned attendance on two days is 10 and on one day of the week, this falls to seven, which is less than half of the maximum capacity.

This proposal recommends merging the service with the Riverside Day Service where under occupancy is an increasing concern with registered numbers standing at 25. The Riverside Day Service currently provides care and support for predominantly older people who present with a variety of long term health conditions and experience social isolation.

Universal services are not accessible to the user group, which has led to the reliance on a building based, accessible service with appropriately trained staff. With capacity to accommodate up to 30 users each day, the service has current vacancies on each day of the working week. The maximum planned daily attendance based on user numbers on 1st July is 18 and falls to 12 on other days.

Merging services will achieve effective and efficient use of one building based service while maintaining the same level of support to users with eligible needs for care and support. For some service users this will be an opportunity to consider other ways to have their eligible needs met in a more personalised way.

The proposal to merge two services will increase efficiency through increased attendance at one site with some users, a maximum of 19, experiencing a change in venue but not a loss of a service. The proposal will still ensure that support to carers is maintained as attendance at a day service can provide a valuable respite opportunity, which enables them to continue in their caring role. At the same time, the proposal will produce savings arising, in the main, from reduced salary costs. There may be costs associated with vacating the physical disability day opportunities centre, which have not currently been factored in to the financial impact.

Aside from the financial benefits arising from the proposed merger, service users will continue to be supported to achieve outcomes, which will potentially be enhanced by increased attendance at Riverside:

- I play an active part in my community.
- I am supported to make healthier choices.
- I am confident that those providing my care are competent.
- I am able to access the services I need, to a safe and high quality.
- I want to see money is being spent in the best way to deliver local services.
- I feel like services work together to provide me with good care.
- It is likely I will live a long healthy life.

- I have a good level of happiness and wellbeing.
- Regardless of who I am, I am able to access care services for my physical and mental health.
- I have a positive experience of the services I use, overall.
- I am supported to live the life I want.

Risk and Mitigations:

The Riverside Day Service operates out of Jack Dash House. As the council reviews its assets to ensure value for money, this building may change use.

Alternative options would need to be sought should the Riverside service not be available. This would require a review of all service users and consideration of alternative, commissioned care and support to meet eligible need. By placing a hold on recruitment within internal day services, there could be a wider range of redeployment opportunities available to displaced staff.

Should the risk materialise, the proposed savings could be achieved but Riverside would not achieve increased efficiency through the increase in service user numbers and raised client contributions. Depending on the needs to be met in commissioned care settings, there could be an increase in the cost to the commissioning care package costs.

Resources and Implementation:

Support from finance to confirm potential savings over three years is required. HR support in relation to staffing considerations /consultation processes would be required and should the proposal go ahead, support for staff at risk of redundancy and mitigating those risks.

If approved, all service users, carers and staff would need to be consulted. Ideally, this would need to begin at the latest by November 2020. Potentially, all service users would require a review before closure to ensure that their needs can be met once the service closed. It is envisaged that the majority of users could have their needs met at Riverside but there may be more appropriate outcomes that are better suited to meet individual needs.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Proposal Title:	Merging of the physical disability day opportunities service with the Riverside Day Service
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Directorate:	Health, Adults & Community	Reference:	SAV / HAC 002 / 20-21
Service Area:	Adult social care	Strategic Priority Outcome:	3. People access joined-up services when they need them and feel healthier and more independent
Lead Member & Title:	Cllr Amina Ali, Cabinet Member for Adults, Health and Wellbeing	Lead Officer & Job Title:	Claudia Brown, DD Adult Social Care Christine Oates, Localities Service Manager

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	Yes	The transfer of the service to Riverside will reduce available resources to adults with a disability, some of whom are of working age. Riverside does not currently provide support to adults of working age.
Does the change reduce resources available to support vulnerable residents?	Yes	The change does reduce resources available to support vulnerable residents (disabled adults). However, there are services with capacity, particularly for those who are not of working age. Commissioned services can also be considered where in house provision may not be the best outcome to support users with eligible needs for care and support.
Does the change involve direct impact on front line services?	Yes	See above
Changes to a Service		
Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	Yes	The transfer to Riverside for the majority of people with lived experience will mean that the physical disability day opportunities service will not be a point of access.
Changes to Staffing		
Does the change involve a reduction in staff?	Yes	The exact details of the staff reductions will be considered as part of the equalities impact assessment.
Does the change involve a redesign of the roles of staff?	No	

Summary:	
To be completed at the end of completing the Screening Tool.	
Based on the Screening Tool, will a full EA will be required?	Yes

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Changes to the adult social care charging policy
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Directorate:	Health, Adults & Community	Reference:	SAV / HAC 003 / 20-21
Service Area:	Adult social care	Strategic Priority Outcome:	1. People access a range of education, training, and employment opportunities
Lead Member & Title:	Cllr Amina Ali, Cabinet Member for Adults, Health and Wellbeing	Lead Officer & Job Title:	Joanne Starkie (Head of Strategy and Policy – Health, Adult and Community Services), Adrian Osborne (Head of Strategic Finance – Health, Adult and Community Services) and Claudia Brown (Divisional Director, Adult Social Care)

Financial Impact:	Current Budget	Net Saving / Income Breakdown				Staffing Impact:	
	Budget 19-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	Total £'000	Current FTE 2019-20	-
	(2,350)	132	132	-	264	Total FTE Reductions	-

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Proposal Summary:

It is proposed to change the adult social care charging policy from 1 October 2020 so that:

- The current capped maximum weekly charge of £250 is increased to £1,000.
- The standard utilities allowance of £15 per week is reduced to £5 per week (currently this amount is disregarded in financial assessment).
- Respite and carer relief is provided free of charge.

Charging for community-based adult social care services was introduced in October 2017 based on the premise that only those who could afford to pay would do so.

This proposal follows benchmarking activity carried out in autumn 2018, which indicated that our policy is likely to be out of step with other local authorities. Of the 23 local authorities we benchmarked with (of which four are in London: Greenwich, Camden, Islington and Enfield), 17 had no weekly cap, five had a higher cap and one was lower.

In October 2019, a further light-touch benchmarking exercise was carried out with eight other London boroughs (Greenwich, Camden, Islington, Enfield, Southwark, Lewisham, Hackney and Newham). Of the eight, five local authorities have no weekly cap. Of the remaining three, Greenwich has a cap of £546.55 per week, Hackney has a cap that is based on 92 per cent of the personal budget amount (i.e. the cost of the care package) and Newham has a weekly cap of £200.

The same benchmarking exercise of 23 other local authorities looked at the minimum income guarantee (MIG). Eighteen have a lower weekly MIG for working age adults and 20 have a lower MIG for older people. All but one appear to be lower than our current offer of the MIG plus £15 per week. The £15 per week that is disregarded is the Standard utilities allowance, which is arguably already accounted for in the MIG calculation.

Based on impact assessments carried out in October 2018 and June 2019, there is no clear evidence to suggest that charging is discouraging people from coming forward for help or that it is having an overall negative impact on wellbeing. The impact assessments did identify a number of areas for improvement, most noticeably around the importance of clear communication with adult social care users and carers and the potential increased burden being placed on unpaid carers. These areas have been worked on over the last 12 months and the importance of clear communication is included in this proposal .

Increasing the current maximum weekly contribution of £250 per week to £1,000 would result in additional income to the council of up to £295,000 in year one, depending on the level of bad debt. It is estimated this would impact 24 adult social care users.

- Currently, the council provides an additional £15 weekly utilities allowance, which is disregarded when the financial assessment is undertaken. This amount is on top of our MIG, which is already set at a level to take utilities charges into account.

Reducing the standard utilities allowance to £5 would result in additional annual charging income of £458,000.

For the purposes of this proforma the anticipated, savings have been reduced by 40 per cent to reflect the need to include a bad debt provision based on the income collected to date compared to the value of invoices raised.

To mitigate the risk that a change in policy will put an increased burden on unpaid carers, it is proposed that the charging policy also be changed so that respite or carer relief be provided free of charge if it is in place primarily to meet the needs of the carer. Currently, carer respite services are charged for. Providing respite and carer relief free of charge would cost the council between £36,000 to £343,000 per annum. For this proposal, the additional cost has been assumed to be £198,000 – the mid-point of the anticipated range.

Risk and Mitigations:

1. The proposal is likely to be subject to significant challenge as a number of individuals/groups are opposed to the principle of charging for community-based services. This will need to be managed through a communication and engagement plan that highlights the evidence on which the proposal is based.
2. Without clear communication, there may be confusion and heightened anxiety among service users and this risk will need to be managed through a communications plan owned by the financial assessment team.
3. There is a risk that a change in policy will put an increased burden on unpaid carers. This is an issue that was raised in the 2018 impact assessment. As a result, the impact assessment suggested we look into changing the charging policy so that respite and carers relief be provided free of charge if it is in place to primarily meet the needs of a carer. The current policy position is that these services are subject to being charged for in the same way as other community-based services (note that it is the person who is the direct recipient of the service – ie the service user – who is assessed and charged, in line with statutory guidance). Providing respite and carer relief free of charge would have an adverse financial impact to the council of between £36,000 to £343,000 per annum. These figures are based on the data currently available. A range is provided to try and account for the assumption that not all cases of carers relief are currently correctly flagged within the social care data. Taking this approach may also provide some assurance to individuals and groups who may be strongly opposed to this proposal.
4. There is a risk that the anticipated income from this change will not be fully realised due to debt. Debt levels have lowered by £0.2 million over the last nine months but remain comparatively high. For example, the amount of income received between 1 October 2017 to 31 March 2019 (a time period of 18 months) is £2.4m. The amount invoiced is £3.6m. The amount of debt is £1.2m. A monthly adult social care debt recovery panel takes place to review cases where service users are not paying the charges that have been raised and, where agreed, standard corporate debt proceedings are followed. Further mitigation can be provided by increasing the bad debt provision raised for social care debt, which would decrease the level of saving achievable. A 40 per cent bad debt provision on the additional income that could be generated from these proposals has been included in the savings.

Resources and Implementation:

1. Strategy, policy and performance (SPP) and finance

Resources from these teams will be required to:

- Carry out more detailed financial modelling.
- Coordinate consultation and engagement on the proposed changes.
- **Carry out an equalities analysis on the proposed changes.**

2. Financial assessment team

Resource will be needed from this team to:

- Communicate the final policy changes to staff, service users and carers
- Change financial assessment processes in line with the change in policy
- Carry out reviews to update financial assessments in line with any changes in policy
- Manage the likely increase in requests for reassessment following any change in policy

3. Adult social care

Resource will be needed from this team to:

- Support SPP and finance with consultation and engagement (it is likely that engagement activity will result in issues relating to care packages – eg requests for reassessments).
- Support the financial assessment team in communicating final policy changes to service users and carers.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Proposal Title:	Changes to the adult social care charging policy
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Directorate:	Health, Adults & Community	Reference:	SAV / HAC 003 / 20-21
Service Area:	Adult social care	Strategic Priority Outcome:	3. People access joined-up services when they need them and feel healthier and more independent
Lead Member & Title:	Cllr Amina Ali, Cabinet Member for Adults, Health and Wellbeing	Lead Officer & Job Title:	Joanne Starkie (Head of Strategy and Policy – Health, Adult and Community Services), Adrian Osborne (Head of Strategic Finance – Health, Adult and Community Services) and Claudia Brown (Divisional Director, Adult Social Care)

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
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Does the change reduce resources available to address inequality?	No	
Does the change reduce resources available to support vulnerable residents?	No	
Does the change involve direct impact on front line services?	Yes	The change will impact on adult social care users and carers. The nature of adult social care means there are specific implications for people with a disability. A previous impact assessment in October 2018 identified that approximately 43 per cent of adult social care users are being charged an amount of money at any one time (around 1170 people). Older people and people of a White ethnic background were more likely to be paying the full cost of their care (up to the maximum amount of £250 per week) compared to other groups in this assessment.

Changes to a Service

Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	No	

Changes to Staffing

Does the change involve a reduction in staff?	No	
Does the change involve a redesign of the roles of staff?	No	

Summary:	
To be completed at the end of completing the Screening Tool.	
Based on the Screening Tool, will a full EA will be required?	Yes

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Integration of Tower Hamlets short-term support services - rehabilitation and reablement		
Directorate:	Health, Adults & Community	Reference:	SAV / HAC 004 / 20-21
Service Area:	Localities east and reablement	Strategic Priority Outcome:	3. People access joined-up services when they need them and feel healthier and more independent
Lead Member & Title:	Cllr Amina Ali, Cabinet Member for Adults, Health and Wellbeing	Lead Officer & Job Title:	Paul Swindells, Service Manager Claudia Brown, DD Adult Social Care

Financial Impact:	Current Budget	Net Saving / Income Breakdown				Staffing Impact:	
	Budget 19-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	Total £'000	Current FTE 2019-20	60
	2251	-	-	100	100	Total FTE Reductions	3

Proposal Summary:

The proposal is to explore the options for the integration of a range of short-term support services (rehabilitation and reablement) across the East London Foundation Trust (ELFT) and the London Borough of Tower Hamlets (LBTH). The present range of short-term support services includes:

- Reablement service – LBTH
- Rapid response service – ELFT
- Intermediate care – ELFT
- Admissions avoidance / discharge to assess - ELFT

The proposal explores opportunities to merge these various offers together with options to either realign, partially integrate, or fully integrate these services. Many of the services above presently provide an offer to residents being discharged from hospital, and/or those who are already at home when they start to become unwell or need input to improve or restore their independence and wellbeing.

The benefits of exploring an integrated service model include:

- Users will experience a seamless and better co-ordinated short term support offer.
- Clearer referral pathways and access for partners and service users.
- Maximise efficiency, better use of staff resource and skill mix and reduced duplication and handoffs.
- Single point of access for hospital discharges.
- Promotion of joint working culture and best/evidence based practice through integrated protocols and shared responsibilities and learning.

Project objectives:

- Offer a joint health and social care short-term support service.
- A 'one stop shop' approach for all residents who have reablement or rehabilitation needs
- Standardised offer and approach that is Care Act compliant while also meeting the requirements of health and CCG partners.
- Identification of ongoing health and social care needs and the promotion of joint care and support planning.

In turn this would deliver a service which:

- Supports Tower Hamlets delivery of the prevention and wellbeing agenda.
- Supports the health and wellbeing strategy 2017-20 aim to develop a fully integrated health and social care system.
- Facilitates swift and safe hospital discharge.
- Reduces user dependency on long term care and support.

- Promotes user engagement and building resilience through a goal oriented, outcomes focused and strengths based service model and approaches.
- Promotes the creation of integrated health and social care support plans.

The proposal does not include specialist rehabilitation services in the borough; for example the community neuro service, cardiac rehabilitation offer (ARC).

It is acknowledged that considerable work will be required to take this proposal forward and there are some interdependencies with other integration workstreams. For example, the single point of access to health and social care and the localities model of integrated support. As a result of the considerable work still required, a saving of £100,000 is estimated for 2022-23. However, as the work progresses and potential outcomes are understood, the savings opportunity will be refined.

Significant stakeholder and user consultation will be required as part of this proposal as access to the range of short-term support offers have many interdependencies across current services.

Risk and Mitigations:

Failure of stakeholders and/or partners to agree on a model of integration.

Potential partner organisation intention to also capitalise on the project to make financial savings.

Users and residents' opposition to proposed plans.

Conflicting priorities of partner organisations and shifting of key strategic priorities including national policy.

To mitigate these risks, we are proposing a potential 18 month planning and implementation phase, ensuring stakeholder involvement and strategic and political support from both organisations.

Quantifying risk is challenging at present, the potential saving being proposed is low value at present so the risk is potentially low.

Resources and Implementation:

Resources required include service/team manager input from all parties and potentially the CCG.

Project management support.

The initial milestone is the joint presentation of models and proposals to the senior management groups in LBTH and ELFT for strategic buy in and steer – following this, a more detailed project plan will need to be developed detailing timelines, activities and proposals.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Proposal Title:	Integration of Tower Hamlets short-term support services - rehabilitation and reablement		
Directorate:	Health, Adults & Community	Reference:	SAV / HAC 004 / 20-21
Service Area:	Localities east and reablement	Strategic Priority Outcome:	3. People access joined-up services when they need them and feel healthier and more independent
Lead Member & Title:	Cllr Amina Ali, Cabinet Member for Adults, Health and Wellbeing	Lead Officer & Job Title:	Paul Swindells, Service Manager Claudia Brown, DD Adult Social Care

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	Yes	The change will involve the integration of a range of short-term support services., As part of this re-structure/realignment, there will be efficiency savings achieved, due to streamlining the offer and reducing duplication. –While resources will reduce, the workforce and offer will be improved and refreshed. The impact on vulnerable residents and services should be minimal and no individuals with protected characteristics would be disproportionately impacted. A full equalities impact assessment will be taken to consider this in detail.
Does the change reduce resources available to support vulnerable residents?	Yes	See explanation above
Does the change involve direct impact on front line services?	Yes	See explanation above
Changes to a Service		
Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	Yes	Access workflows may change. However, a potential outcome is an improvement in accessibility across the range of services.
Changes to Staffing		
Does the change involve a reduction in staff?	Yes	Risk of redundancy or redeployment are minimal but possible.
Does the change involve a redesign of the roles of staff?	Yes	Some roles may involve: <ul style="list-style-type: none"> - A change to job descriptions. - Enhanced roles to include 'health' related support activities. - Change of employer for staff contracts e.g. may have all staff employed by one organisation. - Working hours and days may need to be more flexible e.g. seven day service. - Work location may change (within borough).

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Summary:		Additional Information and Comments:	
To be completed at the end of completing the Screening Tool.			
Based on the Screening Tool, will a full EA will be required?	Yes		

SAVINGS PROPOSAL

Proposal Title:	Technology-enabled care		
Directorate:	Health, Adults & Community	Reference:	SAV / HAC 005 / 20-21
Service Area:	Adult Social Care	Strategic Priority Outcome:	3. People access joined-up services when they need them and feel healthier and more independent
Lead Member & Title:	Cllr Amina Ali, Cabinet Member for Adults, Health and Wellbeing	Lead Officer & Job Title:	Joanne Starkie (Head of Strategy and Policy – Health, Adult and Community Services), Claudia Brown (Divisional Director, Adult Social Care), Warwick Tomsett (Joint Director of Integrated Commissioning)

Financial Impact:	Current Budget	Net Saving / Income Breakdown				Staffing Impact:	
	Budget 19-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	Total £'000	Current FTE 2019-20	-
	21,359	-	-	100	100	Total FTE Reductions	-

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Proposal Summary:

This proposal seeks to offer more technology-enabled care to adult social care users, carers and to residents with the aim of:

- Providing more technology-enabled care when it is safe to do so, supplementing and potentially avoiding more costly and more traditional community-based care packages (e.g. home care provision).
- Promoting technology related care to residents and carers, with a view to delaying or reducing the need for wider care and support across the health and care system.

To do this we will expand the catalogue of items for staff, service users, carers and residents. This can include sensors, monitors, voice-activated technology in the home and technology-enabled homes more broadly. This proposal is likely to require working with an external partner with expertise in the technology sector. As a result of this, there is likely to be a requirement for invest to save funding and the potential for capital expenditure. These elements will be refined as work on the proposal progresses.

Significant further work is required to understand what the potential savings may be, therefore, it is currently proposed that a £100,000 saving is attributed to 2022-23. However, as work progresses, this figure will be refined.

Providing care through technology when it is safe to do so has the potential to reduce demand for more traditional care packages. Technology can support people to carry out daily tasks (e.g. turning lights on and off, setting reminders), to stay safe (e.g. sensors that flag when someone wanders, falls or does something outside a regular routine) and to monitor and take action in relation to their health and wellbeing (e.g. checking physical activity levels). Furthermore, technology can enable people to connect with one another and communicate more easily, in-keeping with commitments to tackle loneliness and social isolation in the borough. Overall, technology can work as a preventative measure to delay and reduce the need for care and support, increase independence and can supplement more traditional social care services. This technology is already available but the options and functionality are constantly evolving, meaning that the benefits are ever-changing and developing.

The proposal is in line with wider strategic aims to promote independence and empower residents, service users and carers to have more control over their health and wellbeing. It provides us with the opportunity to work with health partners (through Tower Hamlets Together) to look at technology, health and care more holistically.

Risk and Mitigations:

1. There is a risk that once the catalogue of technology-enabled care has been expanded, staff in adult social care may not be fully aware of or engage with this offer when developing care packages with adult social care users. This risk can be managed through a communication and engagement plan that involves staff in planning at an early stage.

Resources and Implementation:

1. **Strategy, policy and performance – health, adult and community services**
The team will support work to understand current practice in relation to technology-enabled care and support research and insight into future opportunities. This will be done in partnership with experts within the local authority and in Tower Hamlets Together.

2. There is a risk that adult social care users, carers or residents may not be willing or able to use the technology available. This could be due to things like internet access (in the 2018 service user survey in adult social care, 17 per cent of users had access to the internet, another 29 per cent said someone accesses it on their behalf, and the remainder had no access). It could also be due to preferences, such as concerns around voice-activated technology and data protection. These issues will need to be looked at in more detail to understand the barriers to using technology-enabled care and how we may be able to overcome them.
3. The pace of change in relation to technology is a key challenge (as well as being a key opportunity). We need to keep up-to-date on the changing opportunities technology provides and on research and evidence associated with the impact of technology-enabled care. The pace of change can also be a barrier for staff and resident engagement.
4. There is a risk that this work is perceived as automation that will result in a reduction in care staff. This is not expected to be the case, although it may be that technology impacts on how people work (e.g. if demand for social care rises in line with things like an ageing population, it may be that technology enables staff to support more people). The risk of people perceiving this work as something that could result in job losses can be managed through clear communication, highlighting case studies to show how technology can be used in practice.

2. Integrated commissioning

Integrated commissioning will work with and across providers delivering health and social care, building on and incorporating the work related to technology-enabled care.

3. Adult social care

Practitioners would be expected to proactively offer technology-enabled care in assessments and reviews. While this already happens, this proposal involves the expansion of the offer.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Proposal Title:	Technology-enabled care		
Directorate:	Health, Adults & Community	Reference:	SAV / HAC 005 / 20-21
Service Area:	Adult social care	Strategic Priority Outcome:	3. People access joined-up services when they need them and feel healthier and more independent
Lead Member & Title:	Cllr Amina Ali, Cabinet Member for Adults, Health and Wellbeing	Lead Officer & Job Title:	Joanne Starkie (Head of Strategy and Policy – Health, Adult and Community Services), Claudia Brown (Divisional Director, Adult Social Care), Warwick Tomsett (Joint Director of Integrated Commissioning)

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	No	
Does the change reduce resources available to support vulnerable residents?	No	
Does the change involve direct impact on front line services?	Yes	Offering more technology-enabled care will impact on adult social care users and carers in providing different options for their care. The nature of adult social care means there are specific implications for people with a disability.
Changes to a Service		
Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	No	
Changes to Staffing		
Does the change involve a reduction in staff?	No	
Does the change involve a redesign of the roles of staff?	No	

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Summary:	
To be completed at the end of completing the Screening Tool.	
Based on the Screening Tool, will a full EA will be required?	No

Additional Information and Comments:
The scale and nature of the change being proposed is not yet defined but we are not proposing a policy shift at this stage that would restrict current care package options. For this reason, a full equalities impact assessment is not considered to be required at this stage.

SAVINGS PROPOSAL

Proposal Title:	Rationalisation and development of early help services from conception to age 25 in youth and commissioning		
Directorate:	Children & Culture	Reference:	SAV / CHI 001 / 20-21
Service Area:	Early help service, integrated early years service, youth service part of the youth and commissioning division	Strategic Priority Outcome:	1. People access a range of education, training, and employment opportunities
Lead Member & Title:	Cllr Danny Hassell, Cabinet Member for Children, Schools and Young People	Lead Officer & Job Title:	Ronke Martins Taylor, Divisional Director Youth and Commissioning

Financial Impact:	Current Budget	Net Saving / Income Breakdown				Staffing Impact:	
	Budget 19-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	Total £'000	Current FTE 2019-20	80
	Early Help 783 IEYS 6047 Youth 3606	-	512	-	512	Total FTE Reductions	16

Proposal Summary:

This saving proposal is intended to create effective early intervention pathway(s) from pre-conception to age 25 that will address problems as soon as they emerge; supporting families with the right help at the right time.

This is intended to save money by reducing demand through effective early help preventing issues from escalating. The proposal will introduce a pre-conception to age 25 offer across youth and commissioning. This will include the early help service, the integrated early years service and the youth service. This will enable the council to move from later intervention to early intervention and will ensure the development of robust social and emotional bedrock for babies, children, young people and families to increase their resilience and self-reliance. The rationalisation of the service will also reduce duplication and the number of services working with any given family and enable delivery against phase three of the government's 'Troubled Families' Programme.

The further development of a restorative practice model will help to build further resilience within families and create services and focus on sustainability of change. Evidence from other local authorities who have adopted this approach shows a reduction in the number of re-referrals from families into services.

The new approach will ensure families to benefit as soon as possible from the help available. Early intervention foundation research indicates that this approach will save money in the future. It indicates that the gains of this change are significant but not immediate. The initial saving relates to the anticipated reduction in duplication through streamlined services over time, this new approach will filter and reduce the number of families requiring statutory services resulting in further savings opportunities.

Risk and Mitigations:

- Changes to frontline staff could increase the caseloads of early help practitioners, reducing their ability to undertake more intensive work with families if required as a result the cost of later intervention for children and families could be higher.
- Any redundancy costs from the outcome of this MTFs saving proposal would need to be met corporately.
- These saving proposals could reduce the number of staff available to operate key sites/provision in for example children centres or youth centres.
- A legal duty may arise to consult both the DfE and the public prior to proposed changes.

Resources and Implementation:

- HR support through the organisational change is required.
- For implementation to happen the following is required:
 - August 2019 appointment of project management team
 - September to October 2019, functional analysis and planning to develop the business case.
 - November to January 2020, public and staff consultations.
 - February to April, implementation.

These risks can be mitigated through a number of measures including:

- Further development of restorative practice and other training to develop and equip staff.
- Use of holistic whole family working, which reduces the number of services and professionals working with any one family.
- Use of technology to help effectively target families using risk indicators.
- Better integration of IT systems across early help services and with children's social care (CSC), improving access to timely information to support families. This will be delivered through the planned IT changes in CSC.
- Maximisation of the funding from phase three of the government's Trouble Families Programme and working to get additional grant funding as is currently the case with a range of early help programmes.
- If the risks materialise, the impact on the ability to achieve the saving will be minimal due to the implementation of the above listed mitigation strategies.



SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Proposal Title:	Rationalisation and development of early help services from conception to age 25 in youth and commissioning		
Directorate:	Children & Culture	Reference:	SAV / CHI 001 / 20-21
Service Area:	Early help service, integrated early years service, youth service part of the youth and commissioning division	Strategic Priority Outcome:	1. People access a range of education, training, and employment opportunities
Lead Member & Title:	Cllr Danny Hassell, Cabinet Member for Children, Schools and Young People	Lead Officer & Job Title:	Ronke Martins Taylor, Divisional Director Youth and Commissioning

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	No	
Does the change reduce resources available to support vulnerable residents?	No	
Does the change involve direct impact on front line services?	Yes	
Changes to a Service		
Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	Yes	The way in which services are accessed has the potential to be very different with early help and other changes being implemented.
Changes to Staffing		
Does the change involve a reduction in staff?	Yes	As part of the review, the exact numbers and details will be established.
Does the change involve a redesign of the roles of staff?	Yes	Inevitably, due to the scale of the change, some staff roles will have to change to meet the needs of the new environment.

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Summary:	
To be completed at the end of completing the Screening Tool.	
Based on the Screening Tool, will a full EA will be required?	Yes

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Savings and traded delivery of education and partnership services		
Directorate:	Children & Culture	Reference:	SAV / CHI 002 / 20-21
Service Area:	Education and partnerships	Strategic Priority Outcome:	1. People access a range of education, training, and employment opportunities
Lead Member & Title:	Cllr Danny Hassell, Cabinet Member for Children, Schools and Young People	Lead Officer & Job Title:	Christine McInnes, Service Head Education & Partnership

Financial Impact:	Current Budget	Net Saving / Income Breakdown				Staffing Impact:	
	Budget 19-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	Total £'000	Current FTE 2019-20	70
	3,773.6	-	506	110	616	Total FTE Reductions	7

Proposal Summary:

The education and partnership services have identified potential savings through improved efficiencies, ceasing non statutory functions, additional income generation and trading income.

Parental engagement

A proposed £200,000 reduction will be achieved through a combination of actions including charging children's social care/early help services for delivery of parenting programmes mandated by the courts. The use of early help funding to pay for parenting courses, including through the use of the Troubled Families Programme funded by government, which has not yet been confirmed or allocated beyond 2020/2, may help to mitigate any adverse impact on other children's social care or early help budgets.

Education safeguarding service

The service fulfils a number of statutory duties for the local authority in relation to safeguarding in education. In previous years, the council invested heavily in this service as a way of mitigating the high level of risk locally.

The service has a previously agreed saving of £70,000, to be implemented in 2020-21, achieved by deleting the head of service post. It is proposed to save a further £210,000 from a 30 per cent reduction in the general fund contribution to the service. The proposed reduction would be implemented over a two year period and will reduce the service of eight staff by the equivalent of two posts and increase the income generation target of the service. There is currently a high level of investment in developing school capacity in safeguarding practice, which can decrease over time to become more focused on a quality assurance role or traded delivery.

Now the team comes under the leadership of the corporate school for vulnerable children (as part of the agreed saving on reducing the head of service), there are also opportunities for further efficiency savings, which are being scoped. The savings would be delivered over a two year period 2021/22 and 2022/23.

The model is underpinned by an assumption that schools will, over time, need less direct support for safeguarding as an outcome of developing their capacity through a variety of ways including the establishment of the schools designated safeguarding leads development programme and school safeguarding audits.

Attendance and welfare service

The attendance service is a traded service with schools. The majority of schools currently buy into the service. The local authority retains statutory duties in this area supported by £500,000 from the general fund. The proposed saving of £100,000 represents a reduction of 20 per cent, which can be met by efficiency savings resulting from identified underspends.

Educational psychology

This service was reduced by £200,000 in 2018-19. The new saving of £85,000 would be achieved by reducing a post and increasing income generation.

School improvement primary (Gorsefield)

Gorsefield Rural Studies Centre is a residential centre based in the village of Stansted Mountfitchet in Essex. The Edwardian house sits on a seven acre site surrounded by the picturesque Essex countryside. It has been owned by the London Borough of Tower Hamlets since 1990 and welcomes schools and community groups from the borough throughout the year.

Gorsefield currently generates £248k in income and £268k in expenditure and therefore relies on the general fund contribution to cover costs of £20k.

The intention is to become a fully traded model from 2021-22. The centre is currently running a deficit and work is being undertaken to develop a business plan with a view to it becoming self-financing. Increased income would remove the general fund contribution and require the centre to cover its costs.

This relatively modest increase in traded income to ensure that the centre is financially sustainable would be planned for over the financial year 2020/21. We have a headteacher in the borough who has agreed to work on this, alongside others with business experience and therefore we are confident that the increase in income can be made. The centre will look at improving its marketing and bookings so that more people can book when the centre is not being used for school visits and ensure greater use in school holidays. We are also considering how to explore options for other, wider, council uses of the building including for early help, family support and respite.

Risk and Mitigations:

Parental engagement

Risks

- With regard to charging for the parenting programmes, this will result in a financial pressure on children's social care (CSC) /early help. If another provider were to be used, this is likely to be to the detriment of quality and possibly increase costs to Children's Services as a whole.
- The service is a key contributor to the early help offer and a reduction in the early help capacity, potentially increasing pressures on CSC.
- The service is a key contributor to the capacity to deliver wider council anti-poverty, cohesion and employability priorities.

These risks may be mitigated through:

- Close coordination between children's social care, early Years and the service.
- The use of early help funding to pay for parenting courses, including through the Troubled Families Programme government funding if it is extended.

Education safeguarding service

Risks:

- There will be some reduction of frontline capacity to keep vulnerable children safe and a possible impact on the council's early help capacity, potentially increasing pressures on CSC.
- Detailed plans have yet to be developed but each function is underpinned by a variety of legislative requirements and reducing the capacity in the service, without mitigation, risks the council not fulfilling its statutory duties or maintaining its Ofsted rating.

Attendance and welfare service

The council's statutory duties are generously met at present and it is anticipated that this reduction can be made with limited impact.

Resources and Implementation:

Parental engagement

A review of the current service delivery model to identify where efficiencies can be made and feasibility study in collaboration with CSC regarding the transition to payment for parenting courses. It is anticipated that the majority and possibly all the work can be undertaken internally by the service.

Education safeguarding service

2020-21

Specialist project capacity is required to undertake an analysis and benchmarking exercise to develop a proposal that minimises the increase in risks, which will arise from reducing this service.

The proposal is likely to require a public consultation; communications and legal advice would be required to ensure a robust consultation. Project and HR capacity will be needed to support the development of proposed new staffing structure and drafting of reports.

Attendance and welfare service

There are no significant resource implications anticipated.

Educational psychology

It is anticipated that the majority and possibly all of the work can be undertaken internally by the service. HR support will be needed to support the deletion of a post. This may require redundancy costs to be funded corporately.

School improvement primary (Gorsefield)

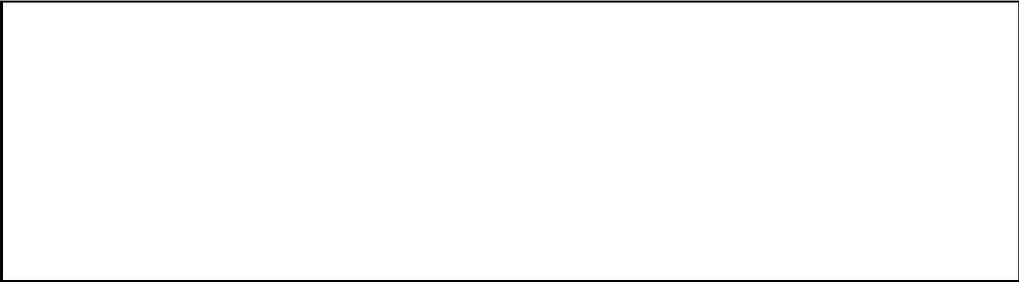
Support to undertake a detailed feasibility study and to develop the business case demonstrating that the centre can become self-financing.

Educational psychology

There is a risk that this reduction will reduce the capacity in the team to undertake discretionary work in addition to traded delivery, such as providing support in children's centres.

School improvement primary (Gorsefield)

This relatively modest increase in traded income to ensure that the centre is financially sustainable would be planned for over the financial year 2020/21, therefore the risk is considered minimal.



SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Proposal Title:	Savings and traded delivery of education and partnership services		
Directorate:	Children & Culture	Reference:	SAV / CHI 005 / 20-21
Service Area:	Education and partnerships	Strategic Priority Outcome:	1. People access a range of education, training, and employment opportunities
Lead Member & Title:	Cllr Danny Hassell, Cabinet Member for Children, Schools and Young People	Lead Officer & Job Title:	Christine McInnes, Service Head Education & Partnership

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	Yes	Age, disability, race, religion or belief By its very nature, this proposal sees a reduction in resources relating to children and young people. There is a reduction in staff who are dedicated to work with identified priority groups in the borough and to promoting community cohesion.
Does the change reduce resources available to support vulnerable residents?	Yes	This service supports a number of groups that could be considered vulnerable, including parents in need of or required to undertake parenting classes, parents/carers in need of early years childcare, children vulnerable to exploitation, children with health issues, children electively home educated, and children missing education.
Does the change involve direct impact on front line services?	Yes	There is the potential for significant impacts on frontline services, particularly in the council's capacity to deliver early Help. The full equalities impact assessment will detail how these impacts are to be mitigated.

Changes to a Service

Does the change alter who is eligible for the service?	Yes	Eligibility for the service will need to be considered, including introducing eligibility criteria or amending it to better reflect the new services.
Does the change alter access to the service?	Yes	Thresholds to access the services will need to be considered, including introducing or changing them to better reflect the new services.

Changes to Staffing

Does the change involve a reduction in staff?	Yes	Potentially this proposal could result in a reduction of a maximum of seven full time equivalent staff across services as detailed in the proposal. This is in the context of a total staff of 70, so a reduction of a maximum of 10 per cent.
Does the change involve a redesign of the roles of staff?	Yes	The roles of staff will have to be considered as part of the changes to these services. The level of transformation is likely to mean some change of roles, however, this will be considered and managed working closely with HR to identify the best approach.

Summary:

To be completed at the end of completing the Screening Tool.

Based on the Screening Tool, will a full EA will be required?

Yes

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Transformation of service delivery provided by the integrated early years service		
Directorate:	Children & Culture	Reference:	SAV / CHI 003 / 20-21
Service Area:	Integrated early years service, youth and commissioning division	Strategic Priority Outcome:	2. Children and young people are protected so they can realise their potential
Lead Member & Title:	Cllr Danny Hassell, Cabinet Member for Children, Schools and Young People	Lead Officer & Job Title:	Ronke Martins Taylor, Divisional Director Youth and Commissioning

Financial Impact:	Current Budget	Net Saving / Income Breakdown				Staffing Impact:	
	Budget 19-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	Total £'000	Current FTE 2019-20	TBC
	6,077	494	-	406	900	Total FTE Reductions	TBC

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Proposal Summary:

This saving proposal offers up recurring savings through the delivery of improved efficiencies (£494k in 2020-21) and structural change (£406k in 2022-23). The details of the savings proposals are as set out below:

- In 2020-21, £494k of efficiency savings have been identified from underspends and uncommitted general fund in the integrated early years service.
- The period covering 2021 -22 will be used to review the impact and effectiveness of (SAV / CHI 006 / 20-21) a previously agreed budget savings focused on the rationalisation and development of early help services from conception to age 25 in youth and commissioning. It is anticipated that following this review further efficiencies would be possible to achieve an additional £406k saving in 2022/23.

Risk and Mitigations:

What will the major risks on the project be?

- Possible reductions in the delivery of sessions and services at children's centres due to staffing ratio issues.
- The IEYS may no longer be able to support further developments in areas such as early language acquisition through children's centres, childcare settings and school EY units.
- The level of language acquisition birth to five could potentially fall leading to lower Early Years Foundation Stage Profile outcomes, and lower education and health outcomes.

What will their impact be on the IEYS and Tower Hamlets Council?

- Capacity for partnership work with health professionals (HV teams, hospitals, GPCG at al.) could be significantly reduced.
- This could lead to further demand for additional educational support during primary school age.

What are the possible mitigation strategies?

Resources and Implementation:

What are the resources needed to build up the proposal?

- No additional resources required.
- Organisational change team required.

Is feasibility work required?

- No.
- Yes - specifically an equalities impact analysis for users for any proposed service changes.

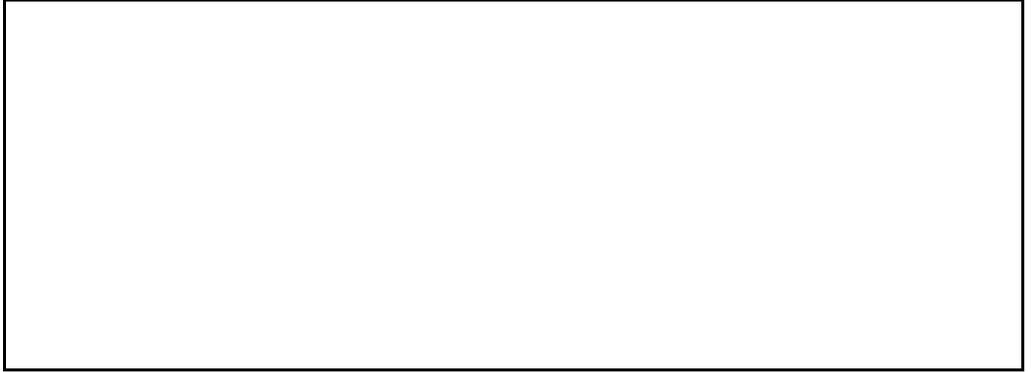
Activities required by 2020-21?

- No.
- Organisational process to consult staff. Potential public consultation to any service changes, should this be required.

- Exploring additional partnership working and delivery of activity; with voluntary sector partners or other statutory partners e.g. health services
- Additional services being co-located in Children's Centres e.g. early help workers.
- Undertake analysis of further efficiencies and reduction in discretionary services or exploring possibilities of traded income generation.

Quantify the risk if possible:

- If the risks materialise the impact on the ability to achieve the saving will be minimal due to the implementation of the above listed mitigation strategies.



SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Proposal Title:	Transformation of service delivery provided by the integrated early years service
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Directorate:	Children & Culture	Reference:	SAV / CHI 003 / 20-21
Service Area:	Integrated Early Years' Service (IEYS), Youth and Commissioning Division	Strategic Priority Outcome:	2. Children and young people are protected so they can realise their potential
Lead Member & Title:	Cllr Danny Hassell, Cabinet Member for Children, Schools and Young People	Lead Officer & Job Title:	Ronke Martins Taylor, Divisional Director Youth and Commissioning

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	Yes	This proposal reduces the resources dedicated to early education settings: School Early Years units, childcare providers, child minders and therefore has the potential to impact on families living in disadvantage across a range of protected characteristics.
Does the change reduce resources available to support vulnerable residents?	Yes	This proposal reduces the resources dedicated to early education settings: School Early Years units, childcare providers, child minders and therefore has the potential to impact on families living in disadvantage across a range of protected characteristics.
Does the change involve direct impact on front line services?	Yes	This proposal reduces the resources dedicated to early education settings: School Early Years units, childcare providers, child minders and therefore has the potential to impact on families living in disadvantage across a range of protected characteristics.
Changes to a Service		
Does the change alter who is eligible for the service?	Yes	Because services will be reduced, eligibility for services may have to be reviewed.
Does the change alter access to the service?	Yes	Because services will be reduced, access to services may have to be reviewed.
Changes to Staffing		
Does the change involve a reduction in staff?	Yes	The level of savings rely on savings being made from the IEYS staffing budget. An organisational change process will be followed with full public consultation as appropriate.
Does the change involve a redesign of the roles of staff?	Yes	In considering the new staffing structure, the roles of some remaining staff may need to be reviewed.

Summary:	
To be completed at the end of completing the Screening Tool.	
Based on the Screening Tool, will a full EA will be required?	Yes

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Transformation of service delivery following the youth service review		
Directorate:	Children & Culture	Reference:	SAV / CHI 004 / 20-21
Service Area:	Youth service part of the youth and commissioning division	Strategic Priority Outcome:	2. Children and young people are protected so they can realise their potential
Lead Member & Title:	Cllr Danny Hassell, Cabinet Member for Children, Schools and Young People	Lead Officer & Job Title:	Ronke Martins Taylor, Divisional Director Youth and Commissioning

Financial Impact:	Current Budget	Net Saving / Income Breakdown				Staffing Impact:	
	Budget 19-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	Total £'000	Current FTE 2019-20	TBC
	3,606	-	500	-	500	Total FTE Reductions	TBC

Proposal Summary:

This savings proposal is predicated on the findings from the youth service review (YSR), which concluded in October 2019. The YSR is intended to provide a comprehensive assessment of what young people and key stakeholders want from their future youth service. The YSR will support the delivery of a co-produced youth offer through the involvement of young people and key stakeholders in the consultation process. The YSR is currently being analysed to enable an understanding of:

- what children and young people want from youth activity
- what children and young people, youth activity providers, the community, and elected members want from the youth service;
- the key priority areas for the future delivery of youth work, including the shape of commissioned, detached, and universal youth work delivery
- the revised outcomes that need to be achieved to deliver effective and accountable youth provision from both internal and external youth providers.

The key principles that will be embedded in the youth service following the YSR will be:

- 66 per cent of the available budget for youth work delivery will be spent on commissioned providers. The primary focus of work will be universal youth work delivery.
- 33 per cent of the available budget for youth work delivery will be spent on internal provision. The primary focus will be targeted youth work delivery.
- The provision of enhanced or specialist youth hubs (arts, sports, enterprise, digital /media).
- Youth service participation in the provision of an integrated area based early help offer (0 - 25).
- Targeted and intensive one-to-one work with vulnerable young people.
- Prioritising young people's safety, aspirations and health and wellbeing.
- Prioritising youth inclusion (LGBTQ, SEND, girls and young women).
- Prioritising the provision of a bespoke offer for under-represented youth based on assessed need.
- Delivering a young carers offer.
- Supporting the delivery of youth voice and influence.

The savings will deliver greater economies of scale to better and more effectively use the youth service budget. The service will be restructured during 2020 to deliver a mixed youth provision that will include:

- Youth hubs: The delivery of youth activity only in key high quality youth hubs. Wherever possible, the focus will be on using partner premises such as in schools or the voluntary sector. This will result in having fewer premises related costs.
- Detached youth work: This will offer more flexibility at the local level where the areas of greatest need will be targeted. This approach will incur fewer overheads.
- A greater focus on externally commissioned universal youth provision.: This will incur less cost than internally delivered provision.
- A team of internal support workers: The team will deliver:

- one-to-one work with vulnerable young people in partnership with colleagues in early help and the integrated early years' service;
- participation to support the youth council, young carers and the Children in Care Council; and
- contract management and oversight.

Please note: This also relates to the early help proposal to introduce a pre-conception to age 25 offer across the youth and commissioning division. The youth service would contribute staff to work effectively with young people who had identified risks and concerns.

Risk and Mitigations:

The risks include:

- Changes to the delivery of frontline services could increase the numbers of young people not engaging with the service or not receiving early help.
- Risk that savings will not be made if the service redesign from the YSR is not implemented.
- Numbers of families in need of in-depth support will increase logarithmically.

To mitigate, we will:

- Ensure that the youth service works with other services to deliver an integrated early help offer for families, children and young people.
- Ensure the YSR review is implemented with a range of external partners, including commissioned providers.
- Continually engage with young people so that the service reflects their needs and priorities to maximise engagement and opportunities.

Note: The further details of risk and mitigation will be considered by the proposals emerging from the YSR.

Resources and Implementation:

Resources needed:

- Significant project management support and functions analysis.
- Redundancy and early retirement costs to be identified and met separately from corporate budgets.
- Feasibility work will be required.

To implement, the following needs to happen:

- Completion of youth service mapping and consultation exercise, analysis and recommendations report to Cabinet. These need to be costed to provide accurate potential savings/choices on changes to delivery.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Proposal Title:	Transformation of service delivery following the youth service review		
Directorate:	Children & Culture	Reference:	SAV / CHI 004 / 20-21
Service Area:	Youth service, youth and commissioning	Strategic Priority Outcome:	2. Children and young people are protected so they can realise their potential
Lead Member & Title:	Cllr Danny Hassell, Cabinet Member for Children, Schools and Young People	Lead Officer & Job Title:	Ronke Martins-Taylor, Divisional Director Youth and Commissioning

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	Yes	The reduction in resources devoted to children and young people could be seen as addressing a particular inequality. A full Equalities Impact Assessment (EQIA) will consider information about demographics of service users in order to summarise the impact.
Does the change reduce resources available to support vulnerable residents?	Yes	The reduction in resources has the potential to affect vulnerable residents in particular. A full Equalities Impact Assessment (EQIA) will consider information about demographics of service users in order to summarise the impact.
Does the change involve direct impact on front line services?	Yes	The change focuses on a range of frontline services. A full equalities impact assessment will consider information about demographics of service users to summarise the impact.

Changes to a Service

Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	Yes	Awaiting information as to demographics of service users in order to summarise the impact. Fewer hubs have the potential to affect those users with SEND, as they may need to travel further. There may also be effects on particular age groups (ie 11-25 year olds), and certain ethnicities.

Changes to Staffing

Does the change involve a reduction in staff?	Yes	The scale of the changes mean that it is likely that a reduction of staff will be necessary. A full equalities impact assessment will consider information about demographics of staff in order to summarise the impact
Does the change involve a redesign of the roles of staff?	Yes	The scale of the changes mean that it is likely that some redesign of staff roles will be necessary. A full equalities impact assessment will consider information about demographics of staff to summarise the impact.

Summary:

To be completed at the end of completing the Screening Tool.

Based on the Screening Tool, will a full EA will be required?

Yes

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Transformation of SEND transport commissioning		
Directorate:	Children & Culture	Reference:	SAV / CHI 005 / 20-21
Service Area:	Education and partnerships	Strategic Priority Outcome:	1. People access a range of education, training, and employment opportunities
Lead Member & Title:	Cllr Danny Hassell, Cabinet Member for Children, Schools and Young People	Lead Officer & Job Title:	Christine McInnes, Service Head Education & Partnership

Financial Impact:	Current Budget	Net Saving / Income Breakdown				Staffing Impact:	
	Budget 19-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	Total £'000	Current FTE 2019-20	19
	4,917	=	500	500	1,000	Total FTE Reductions	0

Proposal Summary:

This proposal should be read in conjunction with the corresponding growth bid GRO/CHI-003/20-21 SEND transport budget pressures and demographic growth

There is a predicted overspend for special educational needs and disabilities (SEND) transport of £2.5 million, for which a growth bid has been submitted to fund the pressures in 2020-21.

A review is being undertaken to agree actions to deliver a transformed SEND transport offer. The action plan will propose changes to the arrangements for SEND transport policy, governance, financial monitoring, procedural redesigns and the introduction of a new approach to commissioning taxi routes that is intended to deliver best value.

It is anticipated that the action plan will result in savings of £0.5m in 2021-21 and a further £0.5m in 2022-23 through driving down future cost pressures and supporting effective demand management.

During this period, the expectation is that the following issues will be resolved:

- Introduce new commissioning arrangements through a new dynamic purchasing system to increase the range of providers used and decrease costs.
- Introduce new SEND transport policies to support children and families to access alternative means of travel, including the use of direct payments and maximising use of independent travel schemes.
- Maximise the use of internal transport services, through improved routes and reducing demand for second runs.
- Introduce new governance arrangements to ensure, among other things, there is more robust oversight of SEND transport finances.

The implementation of the action plan will require full engagement with a range of stakeholders including full public consultation on any significant policy change proposals.

Risk and Mitigations:

The risks are:

- Failure to implement the SEND recovery action plan.
- Failure to deliver the savings and increased pressures on SEND transport budget.

These risks will be mitigated by the new governance arrangements for SEND transport and commissioning. If the risks materialise, the impact on the ability to achieve the saving will be minimal due to the implementation of the above mitigation strategies.

Resources and Implementation:

- Significant project management support and functions analysis on an ongoing basis.
- Full involvement of elected members will be required to make any policy changes that may be needed.
- Public consultation may be required for some elements of the project.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Proposal Title:	Transformation of SEND transport commissioning		
Directorate:	Children & Culture	Reference:	SAV / CHI 005 / 20-21
Service Area:	Education and partnerships	Strategic Priority Outcome:	1. People access a range of education, training, and employment opportunities
Lead Member & Title:	Cllr Danny Hassell, Cabinet Member for Children, Schools and Young People	Lead Officer & Job Title:	Christine McInnes, Service Head Education & Partnership

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
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Does the change reduce resources available to address inequality?	No	
Does the change reduce resources available to support vulnerable residents?	No	
Does the change involve direct impact on front line services?	No	

Changes to a Service	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
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Does the change alter who is eligible for the service?	Yes	There is the potential for eligibility arrangements to change. The detailed plans will consider this, alongside an equalities impact assessment and any mitigation resulting from it.
Does the change alter access to the service?	Yes	There is the potential for service access arrangements to change. The detailed plans will consider this, alongside an equalities impact assessment and any mitigation resulting from it.

Changes to Staffing	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
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Does the change involve a reduction in staff?	No	
Does the change involve a redesign of the roles of staff?	Yes	There is the potential for staff roles to change. The detailed plans will consider this, alongside an equalities impact assessment and any mitigation resulting from it.

Summary:	
To be completed at the end of completing the Screening Tool.	
Based on the Screening Tool, will a full EA will be required?	Yes

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Property Asset Strategy		
Directorate:	Place	Reference:	SAV / PLA 001 / 20-21
Service Area:	Corporate property and capital delivery	Strategic Priority Outcome:	11. The Council continuously seeks innovation and strives for excellence to embed a culture of sustainable improvement
Lead Member & Title:	Mayor John Biggs, Executive Mayor	Lead Officer & Job Title:	Alan McCarthy, Interim Head of Asset Management

Financial Impact:	Current Budget	Net Saving / Income Breakdown				Staffing Impact:	
	Budget 19-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	Total £'000	Current FTE 2019-20	N/A
	Inc 852 Exp 4,894	-	1,000	-	1,000	Total FTE Reductions	N/A

Proposal Summary:

The asset management service is in the process of delivering the council's property asset strategy. The programme consists of four discreet work strands as follows:

- Work strand A – Service review
- Work strand B – Property optimisation
- Work strand C – Income generation
- Work strand D – Review of operational estate

To ensure that the outcomes of the asset strategy can be delivered effectively and efficiently, we are undertaking reviews of property use and engagement with service teams at the same time. The objective of the property asset strategy is to enable the asset management service to: provide an efficient property estate that supports service delivery; take a holistic view of the council's estate; and match service requirements with property assets, rather than taking a piecemeal approach that leads to higher costs in the long-term and missed opportunities. It is anticipated that individual opportunities will arise that can lead to quick wins and, where available these will be taken.

The delivery of the asset strategy will be led by the head of asset management and overseen by the divisional director property and major programmes. The programme will be monitored through the asset management working group and report into the asset management board.

Proposed savings and timeframe:

The proposed saving is £1 million in 2021/22. This saving is a minimum target for the property asset strategy and will be delivered through financial efficiencies and income generation that will be identified through the work strands.

The following financial efficiencies have been identified:

- £120k rental income from the letting of Bromley Public Hall (part of the St Georges Town Hall project).
- £20k rental income from St Georges Town Hall (part of the St Georges Town Hall project).
- £200k rental income from Montefiore Centre (part of the Montefiore Centre refurbishment project).
- £200k saving from more efficient working, outsourcing, income generation.
- £250k generated from other rental income (Shadwell Centre project, review of service leases, rent reviews for non-HRA, short term letting empty buildings).
- £50k from new advertising lettings.
- £260k reduction in building running costs across estate.

Capital expenditure will be required, to support individual projects and the delivery of the planned savings. It is unlikely that the delivery of the property asset strategy will have a major impact on specific service delivery as a collaborative approach is being undertaken and stakeholders are being engaged through all through all four work strands.

Risk and Mitigations:

There is a risk that without investing to save funding, the project cannot continue.

There is a risk that services do not engage in the service review workshops.

There is a risk that no opportunities to make financial efficiencies are identified.

Services have been engaged at corporate leadership team and directorate leadership team levels and through the asset management board for over the last 12 months.

Initial investigation identified £1m of financial efficiencies.

Resources and Implementation:

The asset management service requires £100k of invest to save funding to support the appointment of a consultant to lead the property asset strategy, facilitate workshops, review property assets and develop business cases for the delivery of individual projects. This funding is required in 19/20 as the project is in delivery and the service does not have the funds to continue delivery.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Proposal Title:	Property Asset Strategy
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Directorate:	Place	Reference:	SAV / PLA 001 / 20-21
Service Area:	Corporate property and capital delivery	Strategic Priority Outcome:	11. The Council continuously seeks innovation and strives for excellence to embed a culture of sustainable improvement
Lead Member & Title:	Mayor John Biggs, Executive Mayor	Lead Officer & Job Title:	Alan McCarthy, Interim Head of Asset Management

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impact on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	No	
Does the change reduce resources available to support vulnerable residents?	No	
Does the change involve direct impact on front line services?	No	
Changes to a Service		
Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	No	
Changes to Staffing		
Does the change involve a reduction in staff?	Yes	The property asset strategy may lead to a reduction in staff through the closure of buildings. This impact will be assessed on a project by project basis and HR guidance sought as appropriate including a full equalities impact assessment if this is appropriate.
Does the change involve a redesign of the roles of staff?	No	

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Summary:	
To be completed at the end of completing the Screening Tool.	
Based on the Screening Tool, will a full EA will be required?	No

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Deletion of dedicated business assurance function for Place Directorate
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Directorate:	Place	Reference:	SAV / PLA 002 / 20-21
Service Area:	Growth and economic development	Strategic Priority Outcome:	11. The Council continuously seeks innovation and strives for excellence to embed a culture of sustainable improvement
Lead Member & Title:	Cllr Motin Uz-Zaman, Cabinet Member for Work and Economic Growth	Lead Officer & Job Title:	Vicky Clark, Divisional Director Growth and Economic Development

Financial Impact:	Current Budget	Net Saving / Income Breakdown				Staffing Impact:	
	Budget 19-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	Total £'000	Current FTE 2019-20	64
	317	56	-	-	56	Total FTE Reductions	1

Proposal Summary:

This proposal is to delete the business assurance role which is based in the growth and economic development team but which services the entire Place Directorate. New approaches and tools to manage risk and assurance means there is a diminished requirement for a dedicated officer to support this agenda, creating the opportunity for savings.

Risk and Mitigations:

The major risk for this project is that the Place Directorate falls behind in meeting its risk and assurance obligations and that risks which could have been mitigated are not, negatively impacting service delivery.

The mitigation is to ensure that risk issues are discussed at directorate leadership team and senior leadership team level so that managers are aware of and compliant with risk protocols and that risk management compliance forms part of objective setting.

Resources and Implementation:

No resources are required to build up the proposal.

Work is required to establish the mitigations identified – this work can be conducted by the postholder during their notice period, should the saving be taken up.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Proposal Title:	Deletion of dedicated business assurance function for Place Directorate		
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Directorate:	Place	Reference:	SAV / PLA 002 / 20-21
Service Area:	Growth and Economic Development	Strategic Priority Outcome:	11. The Council continuously seeks innovation and strives for excellence to embed a culture of sustainable improvement
Lead Member & Title:	Cllr Motin Uz-Zaman, Cabinet Member for Work and Economic Growth	Lead Officer & Job Title:	Vicky Clark, Divisional Director Growth and Economic Development

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	No	
Does the change reduce resources available to support vulnerable residents?	No	
Does the change involve direct impact on front line services?	No	
Changes to a Service		
Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	No	
Changes to Staffing		
Does the change involve a reduction in staff?	Yes	One post will be deleted and the post holder will be at risk of redundancy
Does the change involve a redesign of the roles of staff?	No	

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Summary:	
To be completed at the end of completing the Screening Tool.	
Based on the Screening Tool, will a full EA will be required?	No

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	New Town Hall revenue savings		
Directorate:	Place	Reference:	SAV / PLA 003 / 20-21
Service Area:	Corporate property and capital delivery	Strategic Priority Outcome:	11. The Council continuously seeks innovation and strives for excellence to embed a culture of sustainable improvement
Lead Member & Title:	Mayor John Biggs, Executive Mayor	Lead Officer & Job Title:	Yasmin Ali, Project Director – Town Hall

Financial Impact:	Current Budget	Net Saving / Income Breakdown				Staffing Impact:	
	Budget 19-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	Total £'000	Current FTE 2019-20	-
	5,291	-	-	225	225	Total FTE Reductions	-

Proposal Summary:

The council's move to the new town hall at Whitechapel in 2022 will generate substantial revenue savings from 2022/23 onwards. The completion of the project will be Spring 2022 when we will start a phased occupation of the site.

Currently, we envisage to move ground floor services into the new town hall first, which will release savings of £225,480 for the closure of Albert Jacob House. The remaining building closures will not release savings until 2023/24.

The full year savings will be realised by 2023/24 when the lease of Mulberry Place expires saving the council £3,445,588 a year. This includes **estimated** running costs of the new Town Hall of £1,620,000.

Saving area	£
Mulberry Place – Rental pa	4,000,000
Mulberry Place running costs (including Compass House) (13,828.8m2)	829,728
Albert Jacob House running costs (3,758 m2) – <i>Expected to be delivered in 2022</i>	225,480
John Onslow House running costs (3,931 m2)	235,860
Total	5,291,068
An estimated reduction needs to be applied for the projected running costs for new Town Hall (27,000 m2)	(1,620,000)
Overall saving for all three buildings	3,671,068
Savings for 2022/23	225,480
Savings for 2023/24	3,445,588

All running costs based on £60 per square metre benchmarking that was referenced in the Cabinet June 2017 report.

Risk and Mitigations:

Resources and Implementation:

The risk to the savings in 2022/23 is that the project is not delivered on time and therefore we are not able to close Albert Jacob House first as planned in 2022.

We are working directly with Bouygues UK our appointed building contractor and our employers agent, T&T, to mitigate all risks within the project and keep to the project programme.

If there is slippage to the programme, the savings will be delivered in 2023.

There are no further resources required for the implementation of these savings as they will be worked on by the Town Hall project team.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Proposal Title:	New Town Hall revenue savings
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Directorate:	Place	Reference:	SAV / PLA 003 / 20-21
Service Area:	Corporate Property & Capital Delivery	Strategic Priority Outcome:	11. The Council continuously seeks innovation and strives for excellence to embed a culture of sustainable improvement
Lead Member & Title:	Mayor John Biggs, Executive Mayor	Lead Officer & Job Title:	Yasmin Ali, Project Director – Town Hall

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	No	
Does the change reduce resources available to support vulnerable residents?	No	
Does the change involve direct impact on front line services?	No	
Changes to a Service		
Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	No	
Changes to Staffing		
Does the change involve a reduction in staff?	No	
Does the change involve a redesign of the roles of staff?	No	

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Summary:	
To be completed at the end of completing the Screening Tool.	
Based on the Screening Tool, will a full EA will be required?	No

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Legal services		
Directorate:	Governance	Reference:	SAV / GOV 001 / 20-21
Service Area:	Legal services	Strategic Priority Outcome:	13. Not aligned with Strategic outcome
Lead Member & Title:	Mayor John Biggs, Executive Mayor	Lead Officer & Job Title:	Janet Fasan, Divisional Director Legal Services

Financial Impact:	Current Budget	Net Saving / Income Breakdown				Staffing Impact:	
	Budget 19-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	Total £'000	Current FTE 2019-20	N/A
	1,198	-	100	200	300	Total FTE Reductions	NIL

Proposal Summary:

There will be a reduction in external professional fees, through usage of frameworks and skills development within the legal team.

Spend on agency staff will be reduced by recruiting permanent staff, where possible. Recruitment difficulties (including to some of the posts that are funded by the existing three year growth bid agreed in 2019-20) have led to a reliance on agency staff. It is anticipated that continuing efforts to reduce agency spend will result in a saving as profiled above.

Risk and Mitigations:

Legal services are demand led and will be impacted by the transformation of services across the council.

Resources and Implementation:

Ongoing review of legal demand will be completed within existing council resources.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Proposal Title:	Legal services		
Directorate:	Governance	Reference:	SAV / GOV 001 / 20-21
Service Area:	Legal services	Strategic Priority Outcome:	13. Not aligned with Strategic outcome
Lead Member & Title:	Mayor John Biggs, Executive Mayor	Lead Officer & Job Title:	Janet Fasan, Divisional Director Legal Services

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	No	
Does the change reduce resources available to support vulnerable residents?	No	
Does the change involve direct impact on front line services?	No	
Changes to a Service		
Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	No	
Changes to Staffing		
Does the change involve a reduction in staff?	No	
Does the change involve a redesign of the roles of staff?	No	

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Summary:	
To be completed at the end of completing the Screening Tool.	
Based on the Screening Tool, will a full EA will be required?	No

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Modernisation of the Registration Service		
Directorate:	Governance	Reference:	SAV / GOV 002 / 20-21
Service Area:	Registrars	Strategic Priority Outcome:	12. Not aligned - Statutory function
Lead Member & Title:	Mayor John Biggs, Executive Mayor	Lead Officer & Job Title:	Kathy Constantinou, Head of Registration, Citizenship & Immigration Services/Superintendent Registrar

Financial Impact:	Current Budget	Net Saving / Income Breakdown				Staffing Impact:	
	Budget 19-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	Total £'000	Current FTE 2019-20	16
	459	-	40	-	40	Total FTE Reductions	1

Proposal Summary:

The proposal is to restructure the Registration service to make it more robust and efficient in delivering statutory and non-statutory services. This will deliver a small financial saving in the budget as not all current vacant posts will be recruited to.

Some of the roles will be changed and shifted to different areas within the service where there are currently deficiencies in the delivery of these services. By doing this it will create a better balance within the team duties creating more flexibility across the statutory and non-statutory functions of the service. This in turn will benefit our customers who will be able to access appointments themselves on-line thus reducing the pressure on staff to answer phone calls and emails for bookings and will release more time to deliver additional face to face appointments and increase ceremony booking availability.

This is in line with the Council's strategic priority of putting the residents at the heart of everything we do. No other services will be impacted by the proposal. All current staff will have a job to apply for which will be ring fenced or assimilated to therefore no reduction in staff is anticipated though a saving will be delivered through not recruiting to a vacant role. The service is also moving to larger premises in 2020 which will give us more capacity to increase appointment availability and revenue.

Risk and Mitigations:

There are risks involved in reducing the budget and this relates to any changes that are made to the legislation which would reduce the income related to the current statutory fees we charge.

In addition we currently deliver certain non-statutory immigration services in conjunction with the Home Office and the European Settlement Service (EUSS) and this service is reliant on certain government policies which could be subject to change. However the Home Office is keen to keep the partnership with local Registration Services and will look to introduce further immigration checking services for us to deliver in the future.

In November 2018 the Home Office took away the Nationality Checking Service (NCS) from LA's and introduced the EUSS. This resulted in a drop of £50k in annual income where the set fee for NCS was much higher than the set fee for EUSS from £60 per customer to £14 per customer. However we have increased revenue in other areas where the statutory fee was raised from £4 per certificate to £11 per certificate which should see a balanced budget at the end of the financial year if no further changes are made.

Resources and Implementation:

There are no further resources required that are not already accounted for in the restructure.

There are currently vacant posts which have not been filled pending the restructure and not all of these posts are included in the new structure. There are enough roles for all current staff members. Budget savings are profiled in 2021-22 when the restructure would have demonstrated the benefits of the change in officer roles and the effect of the restructure providing better business opportunities and maximising the benefits of new larger premises.

The move to St. George's should also create more ceremony bookings with the introduction of wedding packages for customers and also paid advertising opportunities for our partners.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Proposal Title:	Modernisation of the Registration Service
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Directorate:	Governance	Reference:	SAV / GOV 002 / 20-21
Service Area:	Registration Service	Strategic Priority Outcome:	12. Not aligned - Statutory function
Lead Member & Title:	Mayor John Biggs, Executive Mayor	Lead Officer & Job Title:	Kathy Constantinou, Head of Registration, Citizenship & Immigration Services/Superintendent Registrar

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	No	
Does the change reduce resources available to support vulnerable residents?	No	
Does the change involve direct impact on front line services?	Yes	There should be an increase in appointment and ceremony availability after the restructure is implemented and the move to St.George's has taken place.
Changes to a Service		
Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	Yes	More opportunities for customers to access self-serve appointment bookings 24/7.
Changes to Staffing		
Does the change involve a reduction in staff?	No	
Does the change involve a redesign of the roles of staff?	Yes	New roles will be introduced to better fit the statutory demands of the service and creating more business opportunities in non-statutory areas.

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Summary:	
To be completed at the end of completing the Screening Tool.	
Based on the Screening Tool, will a full EA will be required?	No

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Revenues - Cashiers - reduce cash and cheque handling and eliminate the need for cheque printing		
Directorate:	Resources	Reference:	SAV / RES 001 / 20-21
Service Area:	Revenue Services	Strategic Priority Outcome:	11. The Council continuously seeks innovation and strives for excellence to embed a culture of sustainable improvement
Lead Member & Title:	Cllr Candida Ronald, Cabinet Member for Resources and the Voluntary Sector	Lead Officer & Job Title:	Roger Jones, Head of Revenue Services

Financial Impact:	Current Budget	Net Saving / Income Breakdown				Staffing Impact:	
	Budget 19-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	Total £'000	Current FTE 2019-20	5
	578	130	-	-	130	Total FTE Reductions	3

Proposal Summary:

The various projects working on a cashless and chequeless organisation will result in improved and more efficient processes. This includes the prepaid card project and eliminating the use of cheques for making payments to customers and suppliers.

As result of these changes the Cashiers and Revenue Support Teams will be restructured and merged into one single team.

Risk and Mitigations:

The effect of these changes will introduce a more efficient process on how we make payments to customers, and control and monitor spend, particularly around Adult Social Care, and our use of petty cash.

Resources and Implementation:

These projects are currently funded and underway and will be completed by December 2019.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Proposal Title:	Revenues - Cashiers - reduce cash and cheque handling and eliminate the need for cheque printing		
Directorate:	Resources	Reference:	SAV / RES 001 / 20-21
Service Area:	Revenue Services	Strategic Priority Outcome:	11. The Council continuously seeks innovation and strives for excellence to embed a culture of sustainable improvement
Lead Member & Title:	Cllr Candida Ronald, Cabinet Member for Resources and the Voluntary Sector	Lead Officer & Job Title:	Roger Jones – Head of Revenue Services

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	No	
Does the change reduce resources available to support vulnerable residents?	No	
Does the change involve direct impact on front line services?	No	
Changes to a Service		
Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	Yes	Access to funds will be more efficient and more secure.
Changes to Staffing		
Does the change involve a reduction in staff?	Yes	A restructure of the cashiers and Revenue support Teams will be undertaken.
Does the change involve a redesign of the roles of staff?	Yes	Yes and will form part of the restructure of the teams involved.

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Summary:	
To be completed at the end of completing the Screening Tool.	
Based on the Screening Tool, will a full EA will be required?	No

Additional Information and Comments:

SAVINGS PROPOSAL

Proposal Title:	Benefits service – centralisation of assessments – service review and restructure		
Directorate:	Resources	Reference:	SAV / RES 002 / 20-21
Service Area:	Benefits service	Strategic Priority Outcome:	12. Not aligned - Statutory function
Lead Member & Title:	Cllr Candida Ronald, Cabinet Member for Resources and the Voluntary Sector	Lead Officer & Job Title:	Steve Hill, Head of Benefits Services

Financial Impact:	Current Budget	Net Saving / Income Breakdown				Staffing Impact:	
	Budget 19-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	Total £'000	Current FTE 2019-20	82.8 FTE
	2,162	600	100	100	800	Total FTE Reductions	11.8 FTE

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Proposal Summary:
<p>The proposal, which is part of the council's centralisation of assessments programme, is to review and restructure the benefits service.</p> <p>The proposal will deliver savings of £600k from staffing and other cost reductions for 2020/21 and subject to the Universal Credit roll out and corresponding housing benefit caseload reductions, will also deliver a further £100k per year for 2021/22 and 2022/23.</p> <p>The benefits service has been working on the proposals since April and is reporting to the council's support services programme board.</p>

Risk and Mitigations:
<p>Meeting review deadlines – decision taken at the board to exclude the adult social care financial assessment team from this review but to revisit this activity together with other assessment functions as part of the next phase of centralisation of assessments next year.</p> <p>This decision enables the benefits service review and restructure to be completed in time to deliver the £600k savings for 2020/21.</p> <p>It is hoped that staffing reductions can be achieved through voluntary redundancy and early retirement to reduce any impact on staff.</p>

Resources and Implementation:
<p>Resources for the financial assessments part of the review have been sourced and are in place and being met from existing budget.</p>

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Proposal Title:	Benefits service – centralisation of assessments – service review and restructure
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Directorate:	Resources	Reference:	SAV / RES 002 / 20-21
Service Area:	Benefits service	Strategic Priority Outcome:	12. Not aligned - Statutory function
Lead Member & Title:	Cllr Candida Ronald, Cabinet Member for Resources and the Voluntary Sector	Lead Officer & Job Title:	Steve Hill, Head of Benefits Services

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	No	
Does the change reduce resources available to support vulnerable residents?	Yes	By its very nature, the benefits service supports vulnerable households and this proposal constitutes a reduction in the resources available for it. However, the significant caseload reduction in housing benefit due to Universal Credit, means that the remaining resource after the saving will be more than adequate for the benefits service to continue to support vulnerable households.
Does the change involve direct impact on front line services?	No	

Changes to a Service

Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	Yes	Access to the service should be improved. Planned improvements include electronic and intelligent claim forms for residents who are ICT literate and more efficient new ways of working proposed to support our homeless households who claim housing benefit.

Changes to Staffing

Does the change involve a reduction in staff?	Yes	A full equalities impact assessment will be undertaken as part of the benefits service review and the restructure will be conducted in accordance with the council's organisational change process. It is hoped that staffing changes can be achieved through voluntary redundancy and early retirement.
Does the change involve a redesign of the roles of staff?	Yes	Changes to the roles of staff are necessary to reflect the move to Universal Credit and improvements in the access and efficiency of the service.

Summary:	
To be completed at the end of completing the Screening Tool.	
Based on the Screening Tool, will a full EA will be required?	Yes

Additional Information and Comments:
A full equalities impact assessment will be undertaken as part of the benefits service review and restructure.

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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.

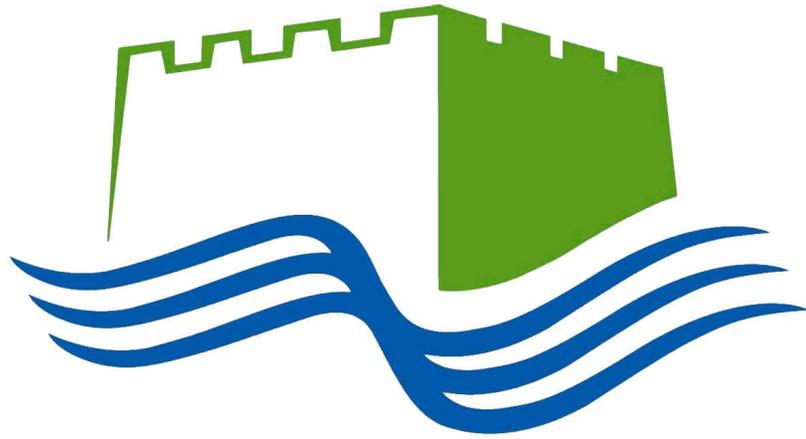
- 3.2. Reserves play an important part in the Council's medium term financial strategy and are held to create long-term budgetary stability. They enable the Council to manage change without undue impact on the Council Tax and are a key element of its strong financial standing and resilience.
- 3.3. The 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.



TOWER HAMLETS

Budget Consultation 2019
On behalf of London Borough of Tower Hamlets

Prepared by

SMSR
RESEARCH

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1.0 Headline Findings

1.1 Headline findings

Overall, **children's services and education** and **protecting and supporting vulnerable children** were deemed to be the **most valuable** services in Tower Hamlets. Just under half (45%) considered children's services and education to be amongst the two council services they value the most, making it the top priority. Protecting and supporting vulnerable children was also highly valued within Tower Hamlets with 44% that said they value this service the most. Highways and transport services alongside culture, libraries and parks were revealed to be the least valued services that Tower Hamlets Council provides (both 13%).

There was a shift in results when considering only business respondents, with business respondents placing the most value on community safety (45%), closely followed by children's services and education (41%) and economic growth and job creation (39%).

When considering limited availability of resources, respondents in Tower Hamlets believed that **protecting and supporting vulnerable children** (29%) was the service that is **most important to prioritise**. Over a tenth thought that economic growth and job creation (14%), community safety (14%) and children's services and education (13%) were the most important services to prioritise.

Again, the perceptions of businesses varied from those of residents with community safety (20%) being the most important to prioritise amongst businesses. Economic growth and job creation (19%) and protecting and supporting vulnerable children (18%) were also ranked highly by businesses in terms of which services are most important to prioritise.

Over half felt the council should reduce spending on temporary agency staff (55%) and that more commercial income should be generated (52%) to help tackle reductions in core council funding and savings targets. A reduction of spending on frontline services was the least preferred action with only 7% selecting this option.

The majority felt that efficiency, availability and quality will all decline as a result of further savings. Nine out of every ten concluded the impact of further savings on the borough will mean fewer services will be available and slightly fewer believed that service quality would decline (85%). Around three-quarters (73%) thought that efficiency would be affected by the impact of further savings; believing that the council will be less efficient.

In order to minimise the impact of savings nearly half (49%) took the position the council should make services more efficient. Respondents also indicated positively towards the

options of the council working with voluntary and community services to deliver services (37%), investigating better use of assets and other ways to generate income (33%) or sharing services with neighbouring boroughs (33%). The least favourable option was outsourcing services to the private sector with only 4% that thought this was a viable option.

Just **over half** said they would be **opposed to a 2% increase** in council tax (51%) with 38% that said they were in favour of the proposed increase; 9% said that they were not sure.

Support amongst respondents was higher towards a 2 per cent increase to council tax to specifically aid adult social care services with nearly half (47%) confirming they would accept this rise; slightly higher than those that would not be willing to pay the extra 2% (44%). When considering residents and businesses separately, it was businesses (57%) that were more willing to back the rise, whereas residents took a more reserved standpoint (43%).

Around two-thirds (65%) were in favour of Tower Hamlets Council expanding its approach towards income generation in order to protect frontline services and limit the impact of government cuts. Businesses (68%) were more likely than residents (63%) to support the council taking this approach.

2.0 Introduction

2.1 Background

Since the Government's austerity programme started in 2010, Tower Hamlets Council has worked hard to protect our vulnerable children, adults and frontline services while making savings of £190 million.

The council have made a number of tough choices to minimise the impact on those services our residents have told us that they rely on the most. This includes reducing running costs, being more efficient and reducing our workforce by a third since 2010. As the pressures continue to grow, Tower Hamlets Council will need to prioritise what matters most to residents' lives.

In addition to an online consultation, hosted on the council's website, SMSR Ltd, an independent research company was commissioned to undertake a survey with residents, businesses and community groups from across the borough help the council understand priorities and the impact savings may have on people living and working in Tower Hamlets.

2.2 Report structure

Included in this report are a set of headline findings which provide quick reference to all the questions asked throughout the survey. In addition, all questions have been analysed by demographic groupings and any differences in opinion are commented on throughout the report.

It should be noted that when the results are discussed within the report, often percentages will be rounded up or down to the nearest one per cent. Therefore, occasionally figures may add up to 101% or 99%.

2.3 Acknowledgements

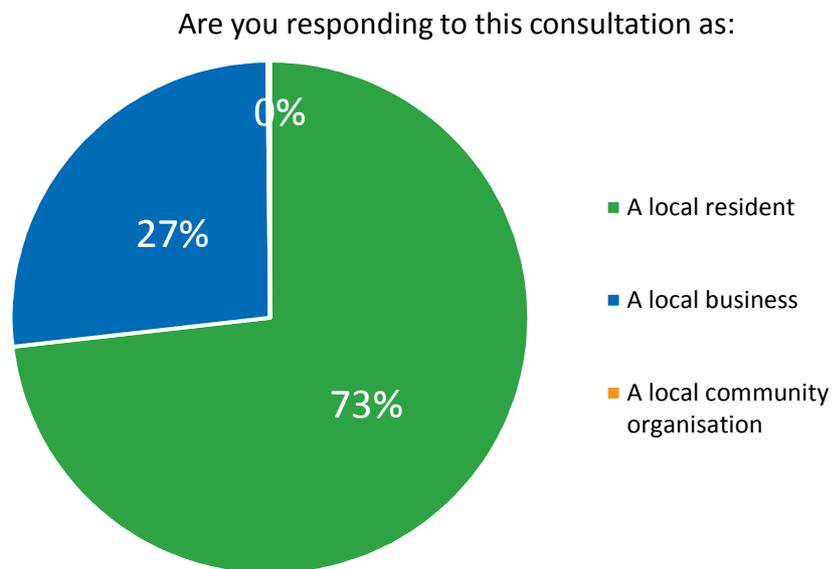
SMSR would like to thank the 1,917 Tower Hamlets residents, businesses and community groups who took part in the consultation.

3.0 Sample / Methodology

An interviewer led, telephone and CAPI (face to face) questionnaire was designed by SMSR in conjunction with staff from Tower Hamlets Council. The survey script mirrored the online consultation open to all residents in the borough located on the council's website.

Interviews were conducted using quota sampling to ensure the sample was representative. Quotas for age, gender and ethnicity were set using the mid-2017 census figures for the residents' consultation and the sample included representation from each of the ward within the borough. Quotas for business interviews were set by business size.

Respondents were asked to identify as a local resident, a local business or a community group:



A total of 1,917 residents, businesses and community groups took part in the consultation, overall. A representative sample of 1,102 residents were interviewed by SMSR Ltd, predominantly by telephone and supported by face to face interviewing at Ideas Stores across the borough. A further sample of 508 businesses was interviewed by SMSR Ltd, using the same methodologies. In addition, a total of 307 residents, businesses and community groups responded to an online consultation, hosted on the council's website. Overall, just under three-quarters responded as a local resident (73%), around a quarter responded as a business (27%) and less than 1% (3 respondents) as a local community organisation. All responses have been combined in this report.

The demographic and geographic breakdown of residents and businesses was as follows:

Residents

Please note that not all residents provided demographic information.

Gender	Number	Percentage of sample
Male	642	50%
Female	631	49%
Prefer to self-identify	3	0%
Prefer not to say	4	0%

Age	Number	Percentage of sample
0-15	1	0%
16-24	183	14%
25-34	459	36%
35-44	275	21%
45-54	149	12%
55-64	119	9%
65-74	76	6%
75-84	15	1%
85+	3	0%

Ethnicity	Number	Percentage of sample
White	608	47%
BAME	668	52%
Prefer not to say	5	0%

Ward	Number	Percentage of sample
Bethnal Green	75	5%
Blackwall & Cubitt Town	67	5%
Bow East	69	5%
Bow West	52	4%
Bromley North	37	3%
Bromley South	45	3%
Canary Wharf	65	5%
Island Gardens	60	4%
Lansbury	60	4%
Limehouse	24	2%
Mile End	74	5%
Poplar	25	2%
Shadwell	56	4%
Spitalfields & Banglatown	56	4%
St Dunstan's	54	4%
St Katharine's & Wapping	48	3%
St Peter's	74	5%
Stepney Green	43	3%
Weavers	53	4%
Whitechapel	65	5%
Not known*	301	21%

*Please note that no geographical information was collected during the online consultation.

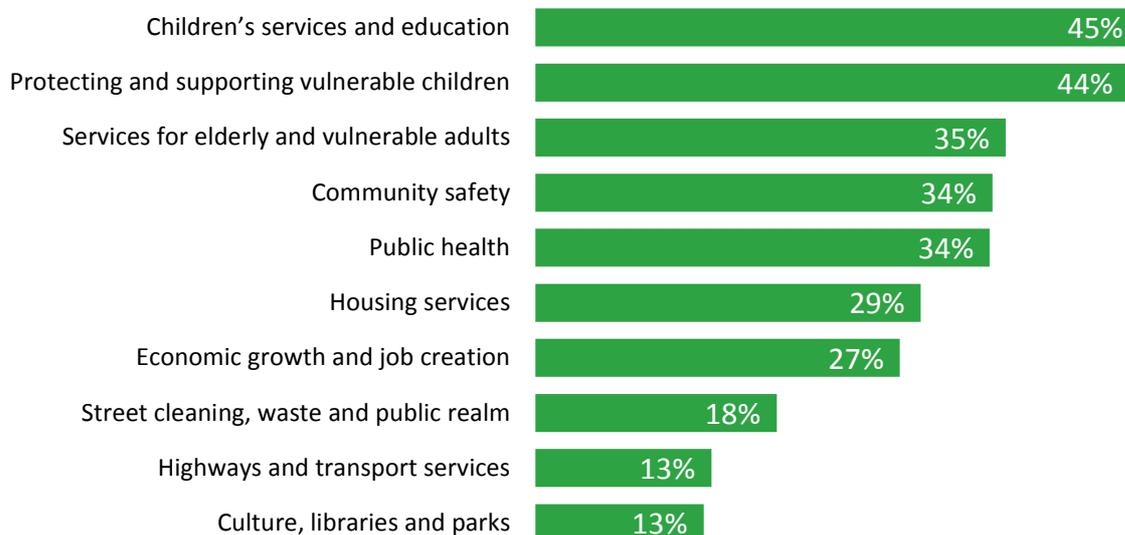
Businesses

Business size	Number	Percentage of sample
Micro (1-10 employees)	335	66%
Small (11-49 employees)	130	26%
Medium (50-249 employees)	33	6%
Large (250+ employees)	10	2%

Ward	Number	Percentage of sample
Bethnal Green	69	14%
Blackwall & Cubitt Town	5	1%
Bow East	31	6%
Bow West	28	5%
Bromley North	3	1%
Bromley South	4	1%
Canary Wharf	40	8%
Island Gardens	4	1%
Lansbury	5	1%
Limehouse	10	2%
Mile End	42	8%
Poplar	22	4%
Shadwell	27	5%
Spitalfields & Banglatown	47	9%
St Dunstan's	2	0%
St Katharine's & Wapping	62	12%
St Peter's	4	1%
Stepney Green	36	7%
Weavers	4	1%
Whitechapel	63	12%
Not known	3	1%

4.0 Findings

In your opinion, which council service(s) do you value the most? Choose up to three options:



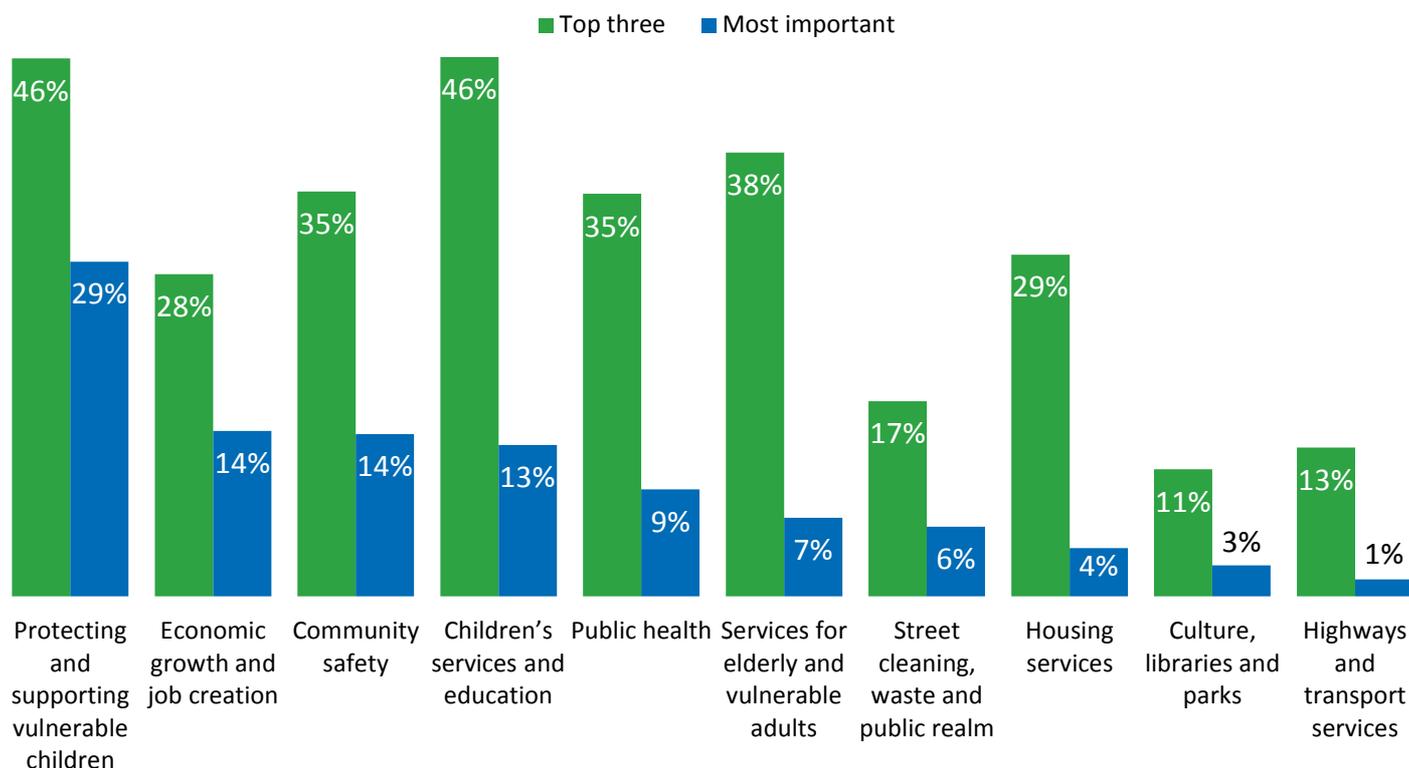
Over two-fifths valued children's services and education the most (45%), closely followed by protecting and supporting vulnerable children (44%). Over a third thought that services for elderly and vulnerable adults (35%), community safety (34%) and public health (34%) were amongst the top three most valuable services provided by Tower Hamlets Council. Culture, libraries and parks and highways and transport services were deemed less important overall, with 13% considering these services to be the most valuable.

Females and BAME respondents were more likely to value both children's services and education and protecting and supporting vulnerable children when compared to males and white respondents. Those aged 35-34 (51%) and 35-44 (50%) were more likely to value children's services and education, with those aged 16-24 (50%), 25-34 (53%) and 65 and over (53%) most likely to value protecting and supporting vulnerable children.

Those in Bromley South (76%), Mile End (63%) and Canary Wharf (60%) were the most likely to value children's services and education, whereas those in Bromley North (98%), St Peter's (68%) and St Katherine's and Wapping (64%) were most likely to value protecting and supporting vulnerable children.

When considering the most valuable services to those who responded as a local resident, nearly half mentioned protecting and supporting vulnerable children (49%) and children's services and education (47%) followed by services for elderly and vulnerable adults (39%). Conversely, business respondents placed more value on community safety (45%) and economic growth and job creation (39%), although children's services and education (41%) was still seen as the second most valued service amongst businesses

In your opinion, with limited resources available, which council services do you think the council should prioritise?



Respondents were asked to consider, with limited resources available, which council services should be prioritised. Respondents were asked to provide their top three priorities, followed by the service they regarded as the most important for Tower Hamlets Council to prioritise.

Overall, respondents said that protecting and supporting vulnerable children (29%) was the most important service to prioritise. Over a tenth deemed economic growth and job creation (14%), community safety (14%) and children's services and education (13%) the most important service for the council to prioritise.

Those aged 25-34 (37%) were most likely to view protecting and supporting vulnerable children as the most important priority, with those aged 55-64 (23%) and 65 and over (22%) least likely to value this. Respondents aged 16-24 were most likely to value economic growth and job creation (25%), whereas those aged 65 and over were more likely to value services for elderly and vulnerable adults (33%).

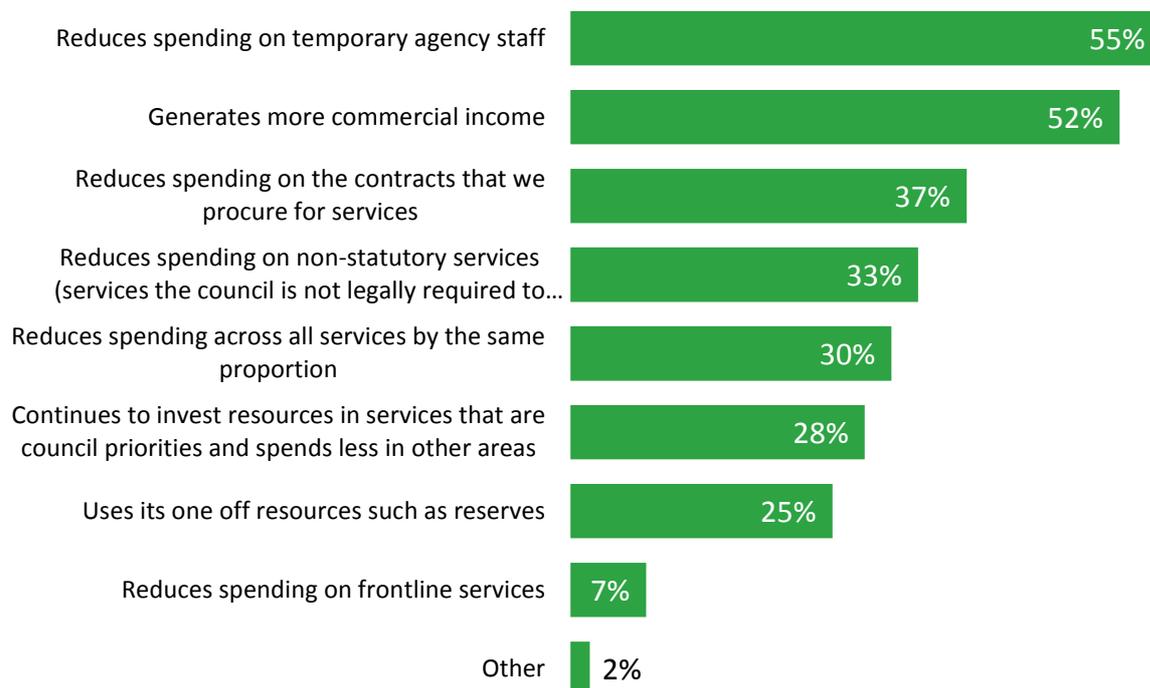
Females (33%) and BAME respondents (32%) were more likely to have said protecting and supporting vulnerable children was the most important service for the council to prioritise when compared to males and white respondents (both 28%). Respondents with a disability

placed more value on services for elderly and vulnerable adults (19%) when compared to those without a disability (6%).

The vast majority of residents and businesses in the ward of Bromley North (95%) indicated that protecting and supporting vulnerable children was the most important service to prioritise. Over half of those in St Peter's (63%), St Katherine's and Wapping (51%) and St Dunstan's (50%) also placed the most importance on protecting and supporting vulnerable children, however, it was deemed a less important priority within Weavers (19%), Lansbury (17%), Whitechapel (14%) and Canary Wharf (11%).

Residents in Tower Hamlets deemed protecting and supporting vulnerable children as the most important to prioritise (33%), with over a tenth that felt children's services and education (14%), community safety (12%) and economic growth (12%) were most important. Businesses, on the other hand, ranked community safety as the most important to prioritise (20%), closely followed by economic growth and job creation (19%) and protecting and supporting vulnerable children (18%).

As our core government funding continues to fall, the council have to save a further £39m by 2023. Would you prefer that the council:

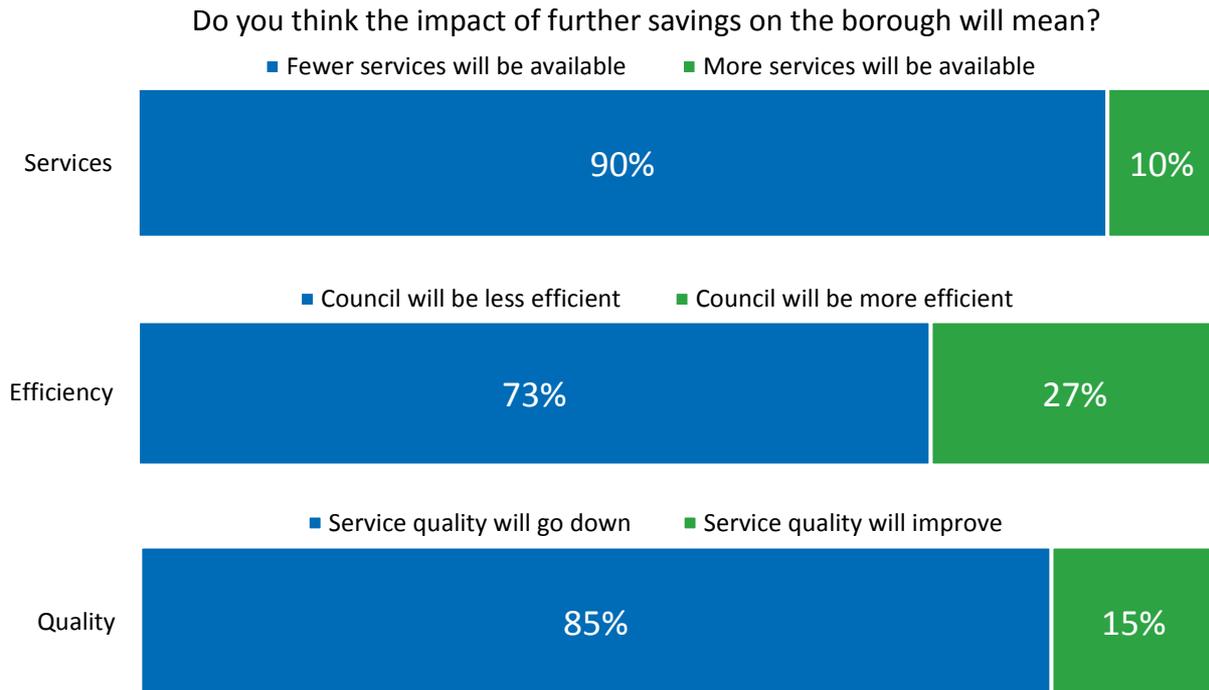


Respondents were presented with options that may help Tower Hamlets Council tackle savings required to be made by 2023 and asked which three they would prefer. Overall, over half of respondents would prefer the council to either reduce spending on temporary agency staff (55%) or to generate more commercial income (52%). Reducing frontline services was the least preferred option (7%).

Older respondents were less likely to favour the council generating more commercial income with only 42% of those aged 65 and over that said the council should undertake this action compared to 56% of those aged 35-44.

Residents and businesses within Bromley North (75%), Canary Wharf (68%) and Bow West (65%) were most likely to prefer that the council reduced spending on temporary agency staff, whereas those in Bromley South (76%), Canary Wharf (70%) and Shadwell (69%) were the most likely to favour the council generating more commercial income.

Residents (58%) were more likely than businesses (49%) to have said the council should reduce spending on temporary agency staff, with businesses (63%) likelier to have said the council should generate more commercial income than residents (47%). Businesses were twice as likely to have said the council should use its one off resources, such as reserves (39%), when compared to residents (19%).



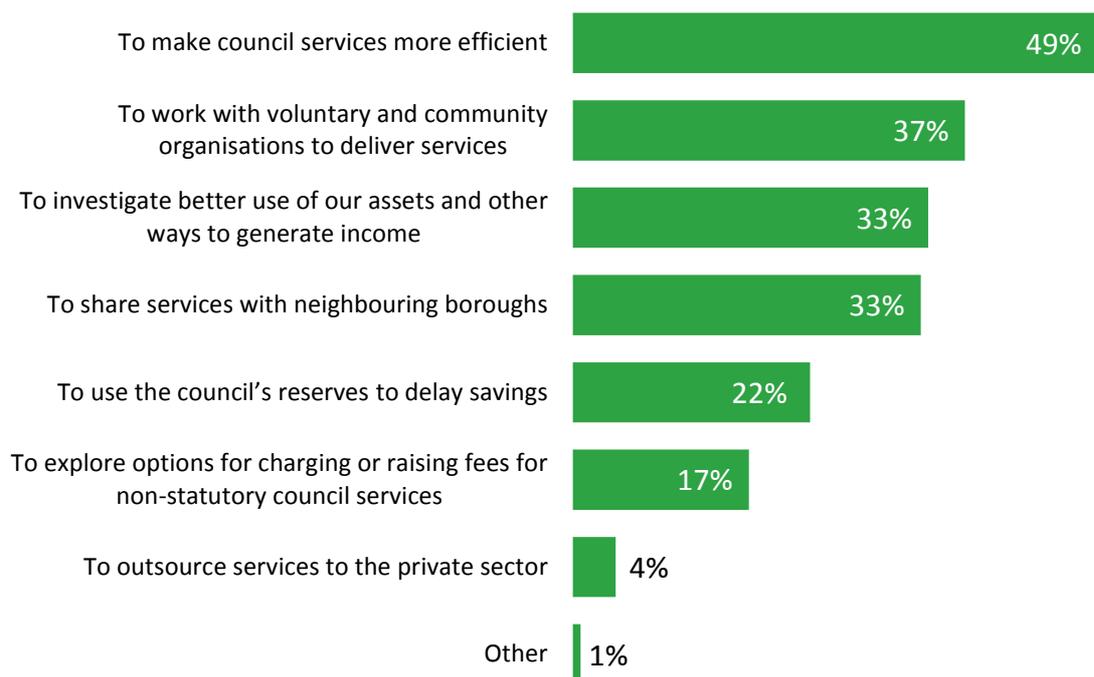
Respondents were asked to provide their thoughts on the impact of further savings on the availability, efficiency and quality of services in the borough. There was strong sentiment that further savings would impact on each aspect with 9 out of every 10 believing fewer services would be available, nearly three-quarters (73%) forecasting the council will be less efficient and more than 8 out of every 10 of the impression that service quality will go down (85%).

Younger respondents, specifically those aged 16-24 and 25-34 were the most likely to believe that further savings will have a negative effect of availability (96% and 93% respectively), efficiency (81% and 78% respectively) and quality (94% and 90% respectively) of services compared to all other age groups.

In general, those in Blackwall and Cubitt Town, Bow East, Bow West, Bromley North, Bromley South and Canary Wharf were more likely to feel efficiency, availability and quality will decline as a result of further savings. Those in Limehouse, Shadwell, Spitalfields and Banglatown, Weavers and Whitechapel were less likely to feel efficiency, availability and quality will decline as a result of further savings.

Residents were more likely than business to feel fewer services would be available (91% compared to 87%) and that service quality would decline (87% compared to 80%), however, when considering efficiency there was very little difference in those that thought the council would be less efficient with 73% of residents and 74% of businesses that thought that would be the case.

If we had to pursue just two options below, which are most important to you?



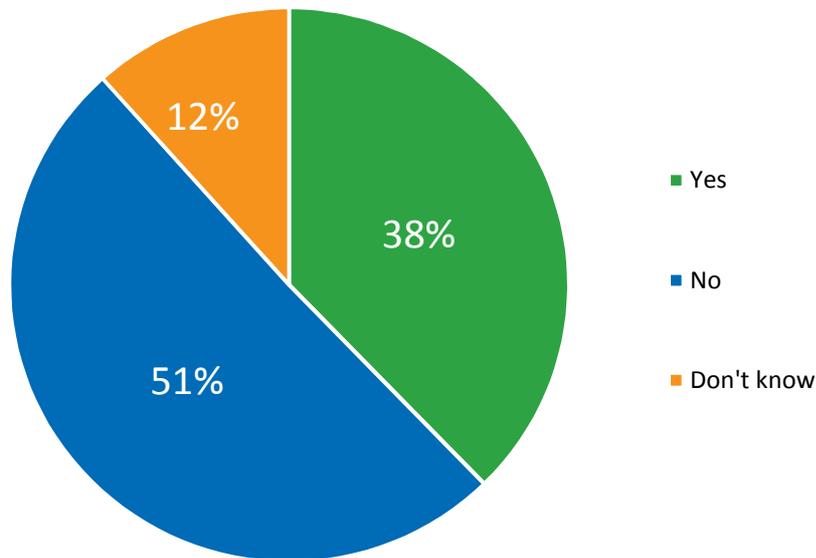
Tower Hamlets Council is exploring a range of options to minimise the impact of the savings the council is required to make. Respondents were asked to choose two options which they thought were most important for the council to pursue.

Around half of respondents specified the council should strive to make services more efficient (49%). Additionally, a third or more thought the council should work with voluntary and community services to deliver services (37%), investigate better use of assets and other ways to generate income (33%) and share services with neighbouring boroughs (33%). The least favourable option was outsourcing services to the private sector (4%).

Resident and businesses in Poplar (74%), Limehouse (62%) and Canary Wharf (59%) were the most likely to favour making council services more efficient, whereas those from Bromley North (60%), St Dunstan's (52%) and Spitalfields and Banglatown (51%) more frequently favoured the council working with voluntary and community organisations to deliver services.

Although residents and business respondents both agreed that making council services more efficient was most important, business respondents were more inclined to believe this to be the most important course of action (55%) when compared to residents (47%).

Would you be prepared to support a proposal to add an increase to council tax by up to 2 per cent?



Respondents were asked if they would be prepared to support a proposal to add an increase to council tax by up to 2 per cent. Just over half (51%) were opposed to the proposal; 38% supported the proposal and 12% were unsure.

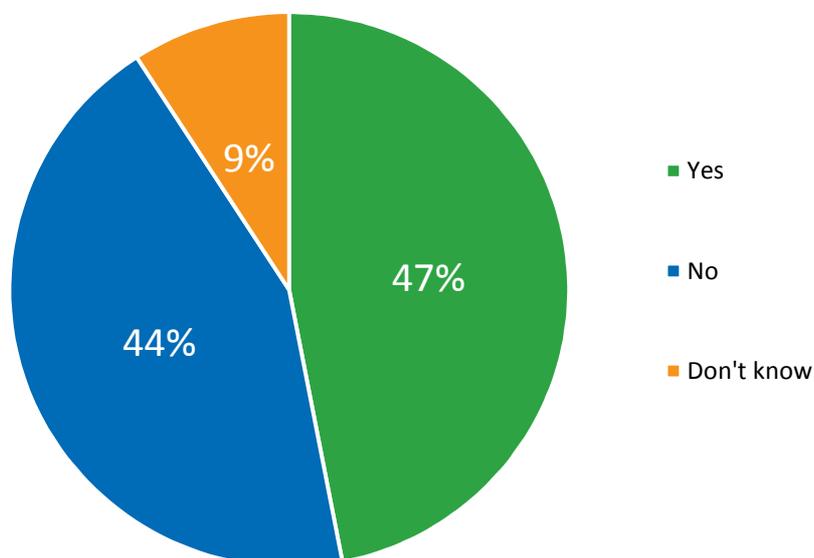
Older respondents were more likely to support an increase of up to 2% to council tax, with 53% of those aged 45-54, 55% of those aged 55-64 and 49% of those aged 65 and over in favour of the increase. Support was much lower amongst younger respondents with only 19% of those aged 16-24 and 27% of those aged 25-34 in favour of the 2% increase to council tax.

White respondents (41%) and those with a disability (48%) were also more inclined to support an increase than BAME respondents (33%) and those without a disability (36%).

Residents and businesses in Limehouse (53%), Poplar (43%) and St Katherine's and Wapping (42%) revealed the most support towards a 2% increase to council tax compared with those in Bow West (25%), Canary Wharf (23%), Bromley South (20%) and Lansbury (20%).

Residents and businesses were equally likely to support a 2% increase to council tax with 38% of both groups that said they'd be willing to support the increase.

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



Based on an estimate that additional cost pressures to Tower Hamlets Council for adult social care services in 2020/21 will be £3.5m, respondents were asked if they would support a 2% increase in council tax to support adult social care services.

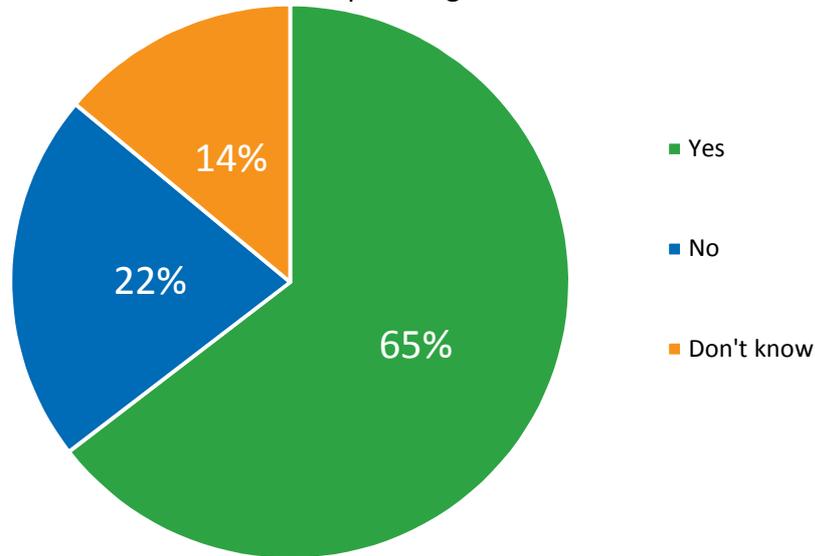
Overall, around half (47%) said they would support this increase in council tax to aid adult social care services, with a slightly smaller proportion (44%) that did not support the proposed increase and a tenth (9%) that did not know.

Those aged 16-24 (24%) and 25-34 (39%) were less likely to support a 2 per cent increase in council tax than those aged 45-54 (60%) and 55-64 (61%). White respondents (49%) were more inclined to favour an increase to support adult social care services compared to BAME respondents (44%).

When examining ward trends, residents and businesses in Limehouse (65%), Spitalfields and Banglatown (64%), Shadwell (55%) and Poplar (53%) were most likely to favour the 2% increase whereas those in Blackwall and Cubitt Town (39%), Bromley South (39%), Bromley North (28%), Canary Wharf (25%) and Lansbury (25%) were least likely to be in favour of this increase.

Businesses were more likely to support an increase with over half (57%) willing to pay more to uphold adult social care services, when compared to residents (43%).

Do you support the council expanding this approach to income generation so we can continue to protect frontline services, and limit the impact of government cuts?



One of the ways Tower Hamlets Council already generates income is by hiring out unique council-owned assets such as parks for events and filming, and the use of venues for ceremonies and sporting activities. Fees and charges are compared against other councils and the council is exploring more innovative ways to raise income. Respondents were asked if they support the council expanding this approach.

Just under two-thirds (65%) confirmed they support the council expanding this approach, with around a fifth (22%) stating they do not and a further 14% mentioning that they did not know.

Those aged 45-54 (75%) were found to be more supportive towards the council than other age groups, the least supportive being those aged 16-24 (50%) and 65 and over (53%). White respondents (66%) were more inclined to favour expanding this approach compared to BAME residents (60%). Respondents with a disability (56%) were also less open to this approach.

Residents and businesses located in Bromley South (84%), Island Gardens (78%), Blackwall and Cubitt Town (74%) and Mile End (72%) were more likely to support the council expanding its approach to income generation compared to those in Lansbury (48%), Shadwell (47%), Whitechapel (47%), St Dunstan's (41%), St Peter's (35%) and Bromley North (20%).

Businesses (68%) were more likely to be in favour of supported the council in expanding its approach to income generation to enable frontline service to be protected, when compared to residents (63%).

5.0 Appendices

5.1 Questionnaire

Tower Hamlets Council

Budget Consultation 2019

Introduction

Good morning / afternoon / evening. My name is and I am calling / speaking to you on behalf of Tower Hamlets Council from SMSR Ltd, an independent research company.

We are speaking to residents in the borough to get their views on the Council's budget for next year.

Do you have a few minutes to get your thoughts on this today and help shape the budget in your local area?

In compliance with GDPR you are able to withdraw your consent at any point during or after the interview and we can provide contact details for both Tower Hamlets Council and SMSR at any point if you so wish. The data is being collected in accordance with the MRS Code of Conduct and will only be used by SMSR and Tower Hamlets Council. Data collected will not be used for marketing purposes and the interview will take around 10 minutes.

Your responses will remain strictly confidential and anonymous, and your personal details will not be forwarded to a third party. It should take approximately 10 minutes, and anonymised responses will be used by SMSR Ltd and Tower Hamlets Council.

If respondent wishes to check validity of research, offer the following contact details: SMSR Ltd - Freephone 0800 1380845 and speak to Lee Atkinson (Project Manager) or call the Market Research Society freephone on 0800 975 9596.

READ OUT:

This year the council is spending £342.6 million on public services with half of the budget spent on supporting children and vulnerable adults.

The Council have worked hard to make £190m in savings since 2010, but they will still have to save an extra £39m by 2023.

Despite these challenges, Tower Hamlets Council are proud to have continued to invest in frontline services and have the seventh lowest council tax in London.

The Council have made a number of tough choices to minimise the impact on those services residents have told the council that they rely on the most. They have reduced their own running costs, been more efficient in how they deliver services, and reduced their workforce by a third since 2010.

The Council have to make the most of the money they have, as well as continuing to look at innovative ways to generate income.

Q1 Are you responding to this consultation as:

- a local resident
- a local business
- a local community organisation

Services you value

Q2 In your opinion, which council service(s) do you value the most? Choose up to three options:

- Services for elderly and vulnerable adults
- Children's services and education
- Protecting and supporting vulnerable children
- Housing services
- Public health
- Culture, libraries and parks
- Community safety
- Highways and transport services
- Street cleaning, waste and public realm
- Economic growth and job creation

Services to prioritise

Q3a In your opinion, with limited resources available, which council services do you think the council should prioritise? Choose up to three options:

- Services for elderly and vulnerable adults
- Children's services and education
- Protecting and supporting vulnerable children
- Housing services
- Public health
- Culture, libraries and parks
- Community safety
- Highways and transport services
- Street cleaning, waste and public realm
- Economic growth and job creation

Q3b Please tell me which of the options you think is most important to prioritise?

- Services for elderly and vulnerable adults
- Children's services and education
- Protecting and supporting vulnerable children
- Housing services
- Public health
- Culture, libraries and parks
- Community safety
- Highways and transport services
- Street cleaning, waste and public realm
- Economic growth and job creation

Reducing spending

Q4 As core government funding continues to fall, the Council have to save a further £39m by 2023. We have made savings in the following areas, but as we have to make additional savings, would you prefer that the council: (choose up to three options)

- reduces spending across all services by the same proportion
- reduces spending on frontline services
- reduces spending on temporary agency staff
- reduces spending on the contracts that we procure for services
- reduces spending on non-statutory services (services the council is not legally required to provide)
- continues to invest resources in services that are council priorities and spends less in other areas
- generates more commercial income
- uses its one off resources such as reserves
- Other

Please specify other:

Impact of further savings

What do you think the impact of further savings on the borough will mean?

Q5a **Services.** Do you think the impact of further savings on the borough will mean:

- Fewer services will be available
- More services will be available

Q5b **Efficiency.** Do you think the impact of further savings on the borough will mean:

- Council will be less efficient
- Council will be more efficient

Q5c **Quality.** Do you think the impact of further savings on the borough will mean:

- Service quality will go down
- Service quality will improve

Minimising the impact

Q6 We are exploring a range of solutions to minimise the impact of the savings the council is required to make.

If we had to pursue just two options below, which are most important to you? (choose up to two options)

- to work with voluntary and community organisations to deliver services
- to share services with neighbouring boroughs
- to use the council's reserves to delay savings
- to make council services more efficient
- to outsource services to the private sector
- to investigate better use of our assets and other ways to generate income
- to explore options for charging or raising fees for non-statutory council services (services we are not legally required to provide)
- Other

Please specify other:

Support for a council tax rise

Q7 The Government has said it expects councils to increase their council tax rate by an amount every year to cover inflation. It has also allowed councils in the last three years to add an additional charge to their council tax for adult social care to support some of their most vulnerable residents. This is called the adult social care precept.

In 2019/20, Tower Hamlets Council increased council tax by 2.4% and adult social care precept by 1%. Every 1 per cent increase in council tax that the council raises generates approximately £1 million, which can be used to protect services. Each 1 per cent rise in council tax costs households an average of 19p extra per week.

Would you be prepared to support a proposal to add an increase to council tax by up to 2 per cent?

- Yes
- No
- Don't know

Council tax rise to support adult social care

- Q8 The Government is likely to allow councils to add an additional charge to their council tax for adult social care to support some of their most vulnerable residents. In 2020/21, the maximum increase could be 2 per cent, which would raise approximately £2 million and cost households on average 38p extra per week.

We estimate that the additional cost pressures to the council for adult social care services in 2020/21 will be £3.5m.

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

- Yes
 No
 Don't know

Generating income

- Q9 The council is looking at ways it can generate income to contribute towards the budget shortfall and minimise the impact of cuts on our services.

One of the ways the council already generates income is by hiring out its unique council-owned assets such as parks for events and filming, the use of venues for ceremonies and sporting activities. We also continually compare our fees and charges against other councils and look at how we can be more innovative in raising income.

Do you support the council expanding this approach to income generation so we can continue to protect frontline services, and limit the impact of government cuts?

- Yes
 No
 Don't know

Demographics

- Q10 How many employees work in your organisation?

- 1-10
 11-49
 50-249
 250 or more

Q11 What type of business do you operate?

- | | |
|--|---|
| <input type="radio"/> Financial or insurance | <input type="radio"/> Arts, entertainment and leisure |
| <input type="radio"/> Professional, scientific or technical | <input type="radio"/> Wholesale |
| <input type="radio"/> Business administration and support services | <input type="radio"/> Construction |
| <input type="radio"/> Information and communication | <input type="radio"/> Property |
| <input type="radio"/> Health | <input type="radio"/> Transport, storage and postage |
| <input type="radio"/> Education | <input type="radio"/> Manufacturing |
| <input type="radio"/> Accommodation and food services | <input type="radio"/> Motor trades |
| <input type="radio"/> Public administration and defence | <input type="radio"/> Other (please specify): |
| <input type="radio"/> Retail | |

Q12 How old are you?

- 0-15
- 16-24
- 25-34
- 35-44
- 45-54
- 55-64
- 65-74
- 75-84
- 85+
- Prefer not to say

Q13a Are your day-to-day activities limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months (include any problems related to old age)?

- Yes
- No
- Prefer not to say

Q13b Please state the type of health problem or disability that applies to you?

(People may experience more than one type of disability or health problem, in which case you may indicate more than one. If none of the categories applies, please mark 'Prefer to self-describe' and specify the type of health problem or disability.)

- Sensory impairment, (such as being blind / having a visual impairment or being deaf / having a hearing impairment)
- Physical impairment, (such as using a wheelchair to get around and / or difficulty using your arms)
- Learning disability, (such as Downs syndrome or dyslexia) or cognitive impairment (such as autism or head-injury)
- Mental health condition, (such as depression or schizophrenia)
- Long-standing illness or health condition (such as cancer, HIV,
- diabetes, chronic heart disease, or epilepsy)
- Prefer to self-describe (please specify):
- Prefer not to say

Q14 Which best describes your gender?

- Male
- Female
- Prefer not to say
- Prefer to self-describe (please specify):

Please specify:

Q15 Is your gender identity the same as the sex you were assigned to at birth?

- Yes
- No
- Prefer not to say

Q16 Which of the following describes your sex?

- Man
- Woman
- Intersex
- Prefer not to say
- Prefer to self-describe (please specify):

Please specify:

Q17 Are you legally married or in a civil partnership?

- Yes
- No
- Prefer not to say

Q18 Which best describes your current marital, civil partnership or cohabitation status?

- Single (never married or never registered a civil partnership)
- Married
- In a registered civil partnership
- Separated, but still legally married
- Separated, but still in a registered civil partnership
- Divorced
- Formerly in a registered civil partnership which is now dissolved
- Widowed
- Surviving partner from a registered civil partnership
- Cohabiting with a partner
- Prefer not to say

Q19 Are you currently pregnant or did you give birth in the last twelve months?

- Yes
- No
- Prefer not to say

Q20 How would you describe your ethnic group?

- White: British
- White: Irish
- White: Traveller of Irish heritage
- White: Gypsy/Roma or Traveller
- White: Any other background
- Mixed/Dual Heritage: White & Black African
- Mixed/Dual Heritage: White & Asian
- Mixed/Dual Heritage: White & Black Caribbean
- Mixed/Dual Heritage: Any other background
- Asian or Asian British: Indian
- Asian or Asian British: Pakistani
- Asian or Asian British: Bangladeshi
- Asian or Asian British: Any other background
- Black or Black British: Somali
- Black or Black British: Other African
- Black or Black British: Caribbean
- Black or Black British: Any other background
- Other Ethnic Groups: Chinese
- Other Ethnic Groups: Vietnamese
- Other Ethnic Groups: Any other background
- Prefer not to say

Q21 What is your religion or belief system?

- No Religion
- Agnostic
- Muslim
- Christian
- Jewish
- Buddhist
- Sikh
- Hindu
- Humanist
- Prefer not to say
- Other

Q22 What is your sexual orientation?

- Gay/lesbian
- Bi (attracted to more than one gender)
- Heterosexual/straight
- Prefer not to say
- Prefer to self-describe

Please specify:

Q23 Do you have caring or parenting responsibilities? (for example, childcare or dependent adults)

- Yes
- No
- Prefer not to say

Q24 Tower Hamlets residents' e-newsletter contains the latest news, events, competitions and special offers from across Tower Hamlets. Would you like to sign up to our residents newsletter?

- Yes
- No

Q24a **IF YES:** Thank you. Please can I take your name and email address?

Name	<input type="text"/>
Email	<input type="text"/>

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