

Cabinet



Wednesday, 29 July 2020 at 5.30 p.m.

Online 'Virtual' Meeting - <https://towerhamlets.public-i.tv/core/portal/home>

Agenda

Mayor John Biggs

Cabinet Members

Councillor Sirajul Islam	(Statutory Deputy Mayor and Cabinet Member for Housing)
Councillor Rachel Blake	(Deputy Mayor and Cabinet Member for Adults, Health and Wellbeing)
Councillor Asma Begum	(Deputy Mayor and Cabinet Member for Community Safety, Youth and Equalities)
Councillor Sabina Akhtar	(Cabinet Member for Culture, Arts and Brexit)
Councillor Danny Hassell	(Cabinet Member for Children and Schools)
Councillor Candida Ronald	(Cabinet Member for Resources and the Voluntary Sector)
Councillor Motin Uz-Zaman	(Cabinet Member for Work and Economic Growth)
Councillor Mufeedah Bustin	Cabinet Member for Planning and Social Inclusion (Job Share) - Lead on Social Inclusion
Councillor Asma Islam	Cabinet Member for Environment and Public Realm (Job Share) - Lead on Environment
Councillor Eve McQuillan	Cabinet Member for Planning and Social Inclusion (Job Share) - Lead on Planning
Councillor Dan Tomlinson	Cabinet Member for Environment and Public Realm (Job Share) - Lead on Public Realm

[The quorum for Cabinet is 3 Members]

Further Information

Reports for consideration, meeting contact details, public participation and more information on Cabinet decision-making is available on the following pages.



Public Information

Viewing or Participating in Cabinet Meetings

The public are welcome to attend meetings of the Cabinet. Procedures relating to Public Engagement are set out in the 'Guide to Cabinet' attached to this agenda. Except where any exempt/restricted documents are being discussed, the public are welcome to view this meeting through the Council's webcast system.

Physical Attendance at the Town Hall is not possible at this time.

Meeting Webcast

The meeting is being webcast for viewing through the Council's webcast system.

<http://towerhamlets.public-i.tv/core/portal/home>

Contact for further enquiries:

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A Guide to CABINET

Decision Making at Tower Hamlets

As Tower Hamlets operates the Directly Elected Mayor system, **Mayor John Biggs** holds Executive powers and takes decisions at Cabinet or through Individual Mayoral Decisions. The Mayor has appointed nine Councillors to advise and support him and they, with him, form the Cabinet. Their details are set out on the front of the agenda.

Which decisions are taken by Cabinet?

Executive decisions are all decisions that aren't specifically reserved for other bodies (such as Development or Licensing Committees). In particular, Executive Key Decisions are taken by the Mayor either at Cabinet or as Individual Mayoral Decisions.

The constitution describes Key Decisions as an executive decision which is likely

- a) to result in the local authority incurring expenditure which is, or the making of savings which are, above £1million; or
- b) to be significant in terms of its effects on communities living or working in an area comprising two or more wards in the borough.

Upcoming Key Decisions are published on the website on the 'Forthcoming Decisions' page through www.towerhamlets.gov.uk/committee

Published Decisions and Call-Ins

Once the meeting decisions have been published, any 5 Councillors may submit a Call-In to the Service Head, Democratic Services requesting that a decision be reviewed. This halts the decision until it has been reconsidered.

- The decisions will be published on: **Friday, 31 July 2020**
- The deadline for call-ins is: **Friday, 7 August 2020**

Any Call-Ins will be considered at the next meeting of the Overview and Scrutiny Committee. The Committee can reject the call-in or they can agree it and refer the decision back to the Mayor, with their recommendations, for his final consideration.

Public Engagement at Cabinet

The main focus of Cabinet is as a decision-making body. However there is an opportunity for the public to contribute through making submissions that specifically relate to the reports set out on the agenda.

Members of the public may make written submissions in any form (for example; Petitions, letters, written questions) to the Clerk to Cabinet (details on the previous page) by 5 pm the day before the meeting.

Cabinet

Wednesday, 29 July 2020

5.30 p.m.

Pages

1. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS AND OTHER INTERESTS

11 - 12

Members are reminded to consider the categories of interest, identified in the Code of Conduct for Members to determine; whether they have an interest in any agenda item and any action they should take. For further details, see the attached note from the Monitoring Officer.

Members are also reminded to declare the nature of the interest at the earliest opportunity and the agenda item it relates to. Please note that ultimately it is the Members' responsibility to identify any interests and also update their register of interests form as required by the Code.

If in doubt as to the nature of an interest, you are advised to seek advice prior to the meeting by contacting the Monitoring Officer or Democratic Services.

3. UNRESTRICTED MINUTES

13 - 18

The unrestricted minutes of the Cabinet meeting held on Wednesday 24 June 2020 are presented for approval.

4. ANNOUNCEMENTS (IF ANY) FROM THE MAYOR

5. OVERVIEW & SCRUTINY COMMITTEE

5.1 Chair's Advice of Key Issues or Questions

Chair of Overview and Scrutiny Committee (OSC) to report on any issues raised by the OSC in relation to unrestricted business to be considered.

5.2 Any Unrestricted Decisions "Called in" by the Overview & Scrutiny Committee

(Under provisions of Article 6 Para 6.02 V of the Constitution).



6. UNRESTRICTED REPORTS FOR CONSIDERATION

6 .1	Understanding the impact of Covid-19 in Tower Hamlets	19 - 82
<p>Report Summary: This report identifies and quantifies the impact of Covid-19 pandemic on Tower Hamlets so far, looking at 16 key areas of focus. It then goes on predict the future impact on residents and businesses over the medium and long term, identifying challenges and opportunities going forward.</p> <p>Wards: All Wards Lead Member: Deputy Mayor and Cabinet Member for Adults, Health and Wellbeing Corporate Priority: All Priorities</p>		
6 .2	Renewed Strategic Plan	83 - 120
<p>Report Summary: To approve the Council's renewed Strategic Plan</p> <p>Wards: All Wards Lead Member: Mayor Corporate Priority: All Priorities</p>		
6 .3	Medium Term Financial Strategy Refresh & 2021-22 Budget Planning	121 - 150
<p>Report Summary: A refresh of the Council's Medium Term Financial Strategy from 2021-22 to 2023-24.</p> <p>Setting out issues and actions which inform the development of the Council's MTFS for 2021-2024 including timescales and next steps.</p> <p>Wards: All Wards Lead Member: Cabinet Member for Resources and the Voluntary Sector Corporate Priority: A dynamic outcomes-based Council using digital innovation and partnership working</p>		
6 .4	Financial Outturn for 2019-20	151 - 182
<p>Report Summary: Report on 2019-20 finalised expenditure against budgets</p> <p>Wards: All Wards Lead Member: Cabinet Member for Resources and the Voluntary Sector Corporate Priority: A borough that our residents are proud of and love to live in</p>		



6 .5	Budget Monitor as at Period 2 for 2020/21	183 - 210
<p>Report Summary: Report on 2020/21 forecast expenditure for the year, as at Period 2 (end of May 2020)</p> <p>Wards: All Wards Lead Member: Cabinet Member for Resources and the Voluntary Sector Corporate Priority: A borough that our residents are proud of and love to live in</p>		

6 .6	Oaklands School – Use of Raines School Lower Site	211 - 256
<p>Report Summary: At the Cabinet meeting on the 26th February 2002, it was agreed to increase the Planned Admissions Number at Oaklands Secondary School, with effect from 2020/21 school year. With the closure of Raines Foundation School there may be the opportunity to purchase the school's Lower site to provide the additional accommodation that will be required to take the additional pupils.</p> <p>Wards: St Peter's Lead Member: Cabinet Member for Children and Schools Corporate Priority: People are aspirational, independent and have equal access to opportunities</p>		Includes exempt appendices

6 .7	Safe and Viable Re-opening of Leisure Centres	257 - 278
<p>Report Summary: This report sets out the impact of the government's closure of leisure centres on 20th March to mitigate Covid-19 on the council's leisure service contract provider, GLL. This is an industry wide issue, affecting all leisure centre operators, giving rise to financial instability in the leisure market.</p> <p>There are two leisure contracts in operation in Tower Hamlets; the main leisure management contract covering six of the boroughs centres in which the Council is in direct contract with GLL, and the Poplar Baths contract in which the Council is in a direct contractual relationship with Folera, a special purpose vehicle which sub-contracts the leisure centre management and operation to GLL.</p> <p>This report seeks approval for a contract variation to the main GLL Leisure Management contract (LMC) to ensure the continued operation of the leisure service within Tower Hamlets. This contract variation will be subject to an 'open book' review. Financial issues related to the loss of income at Poplar Baths are also detailed within the report.</p> <p>Wards: All Wards Lead Member: Cabinet Member for Culture, Arts and Brexit Corporate Priority: TH Plan 1: A better deal for children and young people: aspiration, education and skills</p>		

6 .8	Update on Youth Service Delivery Model (Commissioned and In-house)	279 - 310
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Report Summary:

This is an update report on proposed changes to the Youth Service delivery model as requested by the 26th February 2020 Cabinet. It will recommend the Mayor approve a model for delivery of commissioned and in-house youth activity and the contract value for centre based youth activity; detached youth projects; and specialist youth provision for the period 2021-2024.

The need to achieve savings within the Youth Service arising from the 2020/21 to the 2023/24 Medium Term Financial Savings (MTFS) proposals.

This report updates Cabinet on the delivery model for the Youth Service's universal and specialist commissioned activities; and the delivery arrangements for the in-house retained youth service which will focus on contract management and oversight; strengthening youth voice and empowerment; and delivery of more intensive, targeted youth work as part of the creation of a 0 -25 workforce in partnership with Early Help, and the Integrated Early Years Service.

Wards: All Wards
Lead Member: Cabinet Member for Children and Schools
Corporate Priority: A borough that our residents are proud of and love to live in

6 .9	Contingency Fund – additional Covid-19 support for the Voluntary and Community Sector	311 - 322
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Report Summary:

Proposal to add an additional Covid-19 support element into the existing Contingency Fund

Wards: All Wards
Lead Member: Cabinet Member for Resources and the Voluntary Sector
Corporate Priority: A borough that our residents are proud of and love to live in



Report Summary:

To respond to scrutiny recommendation arising from the challenge session's Metropolitan Police Safer Neighbourhood Ward Panel's which explores working in genuine partnership with seldom-heard residents to make our communities safer

Wards: All Wards

Lead Member: Deputy Mayor and Cabinet Member for Community Safety, Youth and Equalities

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

6 .11 CCTV Modernisation

Report Summary:

LBTH currently purchases CCTV operator and maintenance services from three different organisations. There are currently no formal contracts in place. CCTV services are to be transformed over the next two years to move from ageing analogue equipment to a digital system.

It is proposed that LBTH procure these services via direct award for the interim period. Due to the level of spend and the route of procurement for two of the contracts, a decision by the Mayor in Cabinet is required.

Wards: All Wards

Lead Member: Deputy Mayor and Cabinet Member for Community Safety, Youth and Equalities

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



Report Summary:

The purpose of the report is to share the work of the loneliness programme to date including insights into the impact of loneliness in Tower Hamlets, progress on delivery of the action plan that has been put in place and how this will proceed as conditions recover. It also discusses the impact of the Covid-19 emergency social distancing measures and the positive community mobilisation that has resulted. This provides a significant opportunity to sustain and embed strengthened community networks and increased levels of volunteering and neighbourliness through the Council's recovery and reconstitution programme and our work with partners in Tower Hamlets Together, the community sector and the wider community.

The report will make a number of recommendations that prioritise tackling loneliness and isolation as a strategic issue, a focus for service areas and an important theme in the Council's work with key partners.

Wards:	All Wards
Lead Member:	Deputy Mayor and Cabinet Member for Adults, Health and Wellbeing
Corporate Priority:	A borough that our residents are proud of and love to live in

7. ANY OTHER UNRESTRICTED BUSINESS CONSIDERED TO BE URGENT

8. EXCLUSION OF THE PRESS AND PUBLIC

Should the Mayor in Cabinet consider it necessary, it is recommended that the following motion be adopted to allow consideration of any exempt/restricted documents.

"That, under the provisions of Section 100A of the Local Government Act, 1972 as amended by the Local Government (Access to Information) Act, 1985, the Press and Public be excluded from the remainder of the meeting for the consideration of the Section Two business on the grounds that it contains information defined as Exempt in Part 1 of Schedule 12A to the Local Government, Act 1972".

EXEMPT/CONFIDENTIAL SECTION (PINK)

The Exempt / Confidential (Pink) Committee papers in the Agenda will contain information, which is commercially, legally or personally sensitive and should not be divulged to third parties. If you do not wish to retain these papers after the meeting, please hand them to the Committee Officer present.

9. EXEMPT / CONFIDENTIAL MINUTES

Nil items.

10. OVERVIEW & SCRUTINY COMMITTEE

10 .1 Chair's Advice of Key Issues or Questions in Relation to Exempt / Confidential Business

Chair of Overview and Scrutiny Committee (OSC) to report on any issues raised by the OSC in relation to exempt/confidential business to be considered.

10 .2 Any Exempt / Confidential Decisions "Called in" by the Overview & Scrutiny Committee

(Under provisions of Article 6 Para 6.02 V of the Constitution).

11. EXEMPT / CONFIDENTIAL REPORTS FOR CONSIDERATION

Nil items.

12. ANY OTHER EXEMPT/ CONFIDENTIAL BUSINESS CONSIDERED TO BE URGENT

Next Meeting of the Committee:

Wednesday, 23 September 2020 at 5.30 p.m. in Online 'Virtual' Meeting -
<https://towerhamlets.public-i.tv/core/portal/home>



Agenda Item 2

DECLARATIONS OF INTERESTS AT MEETINGS– NOTE FROM THE MONITORING OFFICER

This note is for guidance only. For further details please consult the Code of Conduct for Members at Part C, Section 31 of the Council's Constitution

(i) Disclosable Pecuniary Interests (DPI)

You have a DPI in any item of business on the agenda where it relates to the categories listed in **Appendix A** to this guidance. Please note that a DPI includes: (i) Your own relevant interests; (ii) Those of your spouse or civil partner; (iii) A person with whom the Member is living as husband/wife/civil partners. Other individuals, e.g. Children, siblings and flatmates do not need to be considered. Failure to disclose or register a DPI (within 28 days) is a criminal offence.

Members with a DPI, (unless granted a dispensation) must not seek to improperly influence the decision, must declare the nature of the interest and leave the meeting room (including the public gallery) during the consideration and decision on the item – unless exercising their right to address the Committee.

DPI Dispensations and Sensitive Interests. In certain circumstances, Members may make a request to the Monitoring Officer for a dispensation or for an interest to be treated as sensitive.

(ii) Non - DPI Interests that the Council has decided should be registered – (Non - DPIs)

You will have 'Non DPI Interest' in any item on the agenda, where it relates to (i) the offer of gifts or hospitality, (with an estimated value of at least £25) (ii) Council Appointments or nominations to bodies (iii) Membership of any body exercising a function of a public nature, a charitable purpose or aimed at influencing public opinion.

Members must declare the nature of the interest, but may stay in the meeting room and participate in the consideration of the matter and vote on it **unless:**

- A reasonable person would think that your interest is so significant that it would be likely to impair your judgement of the public interest. **If so, you must withdraw and take no part in the consideration or discussion of the matter.**

(iii) Declarations of Interests not included in the Register of Members' Interest.

Occasions may arise where a matter under consideration would, or would be likely to, **affect the wellbeing of you, your family, or close associate(s) more than it would anyone else living in the local area** but which is not required to be included in the Register of Members' Interests. In such matters, Members must consider the information set out in paragraph (ii) above regarding Non DPI - interests and apply the test, set out in this paragraph.

Guidance on Predetermination and Bias

Member's attention is drawn to the guidance on predetermination and bias, particularly the need to consider the merits of the case with an open mind, as set out in the Planning and Licensing Codes of Conduct, (Part C, Section 34 and 35 of the Constitution). For further advice on the possibility of bias or predetermination, you are advised to seek advice prior to the meeting.

Section 106 of the Local Government Finance Act, 1992 - Declarations which restrict Members in Council Tax arrears, for at least a two months from voting

In such circumstances the member may not vote on any reports and motions with respect to the matter.

Further Advice contact: Asmat Hussain, Corporate Director, Governance and Monitoring Officer,
Tel: 0207 364 4800.

APPENDIX A: Definition of a Disclosable Pecuniary Interest

(Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012, Reg 2 and Schedule)

Subject	Prescribed description
Employment, office, trade, profession or vacation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by the Member in carrying out duties as a member, or towards the election expenses of the Member. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
Contracts	Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority— (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged.
Land	Any beneficial interest in land which is within the area of the relevant authority.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.
Corporate tenancies	Any tenancy where (to the Member's knowledge)— (a) the landlord is the relevant authority; and (b) the tenant is a body in which the relevant person has a beneficial interest.
Securities	Any beneficial interest in securities of a body where— (a) that body (to the Member's knowledge) has a place of business or land in the area of the relevant authority; and (b) either— (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE CABINET

HELD AT 5.33 P.M. ON WEDNESDAY, 24 JUNE 2020

ONLINE 'VIRTUAL' MEETING - [HTTPS://TOWERHAMLETS.PUBLIC-I.TV/CORE/PORTAL/HOME](https://towerhamlets.public-i.tv/core/portal/home)

Members Present:

Mayor John Biggs	
Councillor Sirajul Islam	(Statutory Deputy Mayor and Cabinet Member for Housing)
Councillor Rachel Blake	(Deputy Mayor and Cabinet Member for Adults, Health and Wellbeing)
Councillor Asma Begum	(Deputy Mayor and Cabinet Member for Community Safety, Youth and Equalities)
Councillor Sabina Akhtar	(Cabinet Member for Culture, Arts and Brexit)
Councillor Danny Hassell	(Cabinet Member for Children and Schools)
Councillor Candida Ronald	(Cabinet Member for Resources and the Voluntary Sector)
Councillor Motin Uz-Zaman	(Cabinet Member for Work and Economic Growth)
Councillor Mufeedah Bustin	Cabinet Member for Planning and Social Inclusion (Job Share) - Lead on Social Inclusion
Councillor Asma Islam	Cabinet Member for Environment and Public Realm (Job Share) - Lead on Environment
Councillor Eve McQuillan	Cabinet Member for Planning and Social Inclusion (Job Share) - Lead on Planning
Councillor Dan Tomlinson	Cabinet Member for Environment and Public Realm (Job Share) - Lead on Public Realm

Other Councillors Present:

Councillor James King
Councillor Andrew Wood

Officers Present:

Stephen Bramah	(Deputy Head of the Mayor's office)
David Esdaile	(Environmental Sustainability Officer)
Lucy Fordham	Senior Communications Officer
Sharon Godman	(Divisional Director, Strategy, Policy and Performance)
Asmat Hussain	(Corporate Director, Governance and Monitoring Officer)
Dan Jones	(Divisional Director, Public Realm)
Debbie Jones	(Corporate Director, Children and Culture)
Daniel Kerr	(Strategy and Policy Manager)
Abdul Khan	(Service Manager - Energy & Sustainability)
Neville Murton	(Corporate Director, Resources)

Denise Radley	(Corporate Director, Health, Adults & Community)
Ann Sutcliffe	(Corporate Director, Place)
Will Tuckley	(Chief Executive)
Michael Darby	(Head of Parking & Mobility Services)
Matthew Mannion	(Head of Democratic Services, Governance)
David Knight	(Senior Democratic Services Officer)

1. APOLOGIES FOR ABSENCE

There were no apologies for absence.

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS AND OTHER INTERESTS

There were no Declarations of Disclosable Pecuniary Interests.

3. UNRESTRICTED MINUTES

RESOLVED

1. That the unrestricted minutes of the Cabinet meeting held on Wednesday 3 June 2020 be approved and signed by the Chair as a correct record of proceedings.

4. ANNOUNCEMENTS (IF ANY) FROM THE MAYOR

The **Mayor** made a number of announcements at the meeting, including that:

- He had held a successful, virtual, 'Ask the Mayor' event the previous evening attended by up to 180 residents.
- He noted the current parliamentary debate in relation to the Westferry Print Works planning application.
- This was the last Cabinet meeting for Debbie Jones, Corporate Director, Children and Culture. He highlighted how important her work was to the Council and he thanked her for the big contribution she had made to supporting residents in Tower Hamlets. He wished her well for the future. Councillor Danny Hassell, Cabinet Member for Children and Schools echoed the words of thanks.

5. OVERVIEW & SCRUTINY COMMITTEE

5.1 Chair's Advice of Key Issues or Questions

Pre-Decision Scrutiny Questions and officer responses were tabled in respect of agenda items:

- 6.2 – Contract variation for diesel surcharge on paid for parking
- 6.3 – SME Energy Improvement Grants Programme – Phase 2
- 6.4 – Update on the Regional Adoption Agency, Adoption London East.

These were considered during discussion of each relevant agenda item.

In addition, Councillor James King, Chair of the Overview and Scrutiny Committee, provided Cabinet with a brief update on his Committee's recent activity.

He reported that the Committee were continuing to review the Council and borough's response to COVID-19 and that they were looking to produce a report to help identify any learning and actions that could be taken forward.

As part of this work they received a number of presentations at their last meeting including from;

- Pam Bhamra, Chair of Tower Hamlets Housing Forum and Director of Operations at Tower Hamlets Community Housing,
- Ian Parkes, Chief Executive of East London Business Alliance,
- Dr Jackie Applebee and Dr Naureen Bhatti, Chair and Vice Chair of Tower Hamlets Local Medical Committee,
- Sister Christine of Neighbours in Poplar.

The **Mayor** thanked him for his update.

5.2 Any Unrestricted Decisions "Called in" by the Overview & Scrutiny Committee

Nil items.

6. UNRESTRICTED REPORTS FOR CONSIDERATION

6.1 GLL Financial Assistance Report

The **Mayor** reported that this item had been withdrawn. However, he highlighted that discussions were continuing on potential financial assistance for GLL and that a decision report may follow at a later date.

6.2 Contract variation for diesel surcharge on paid for Parking

Cabinet Member Dan Tomlinson, Cabinet Member for Environment and Public Realm, Lead on Public Realm, introduced the report. He highlighted that the diesel surcharge had already been agreed and that this report allowed for a variation in the parking contract to allow for that change.

The **Mayor** highlighted the importance of discouraging diesel vehicles due to the air pollution they created. He noted the Pre-Decision Scrutiny Questions and officer responses and **agreed** the recommendations as set out.

RESOLVED

1. To approve a variation to the existing paid for parking contract to accommodate for the application of the diesel surcharge; and
2. To note the specific equalities considerations as set out in Paragraph 4 of the report.

6.3 SME Energy Improvement Grants Programme – Phase 2

Councillor Asma Islam, Cabinet Member for Environment and Public Realm (Job Share) (Lead on Environment), introduced the report on phase two of the energy improvement grants programme for small and medium sized enterprises. She highlighted that the grants would enable businesses to reduce their carbon emissions whilst also reducing their costs which could then be re-invested into their businesses.

The **Mayor** welcomed the report. He noted concerns around emissions from gas boilers and heard reassurance that all projects were assessed for how much carbon emissions would be reduced. He noted the Pre-Decision Scrutiny Questions and officer responses and **agreed** the recommendations as set out..

RESOLVED

1. To approve the grant funding of £225,000 to deliver the SME Energy Reduction Programme – Phase 2.
2. To authorise the Corporate Director, Place to enter into grant agreements and make any associated decisions in order to distribute the funding in accordance with this report.
3. To authorise the Corporate Director, Place to nominate a Council officer or officers as the Corporate Director, Place shall determine to sign on behalf of the Council any grant agreements and or offer letters necessary for the fulfilment of this scheme.

6.4 Update on the Regional Adoption Agency; Adoption London East (ALE)

Councillor Danny Hassell, Cabinet Member for Children and Schools, introduced the update report on the 'Adoption London East' Regional Adoption Agency. In particular he highlighted the work that had been undertaken to bring the services together and that now they were looking for it to improve outcomes and performance. It was noted that performance data was improving and the service continued to do well when compared with other regions but that there were still improvements that could be made including around effective working with the courts.

The **Mayor** noted that there would be regular performance monitoring and that the Corporate Parenting Board would be taking a key role in this. He noted the Pre-Decision Scrutiny Questions and officer responses and **agreed** the recommendation as set out.

RESOLVED

1. To note the progress made in establishing the new Regional Adoption Agency, and the review of practice and performance in the first six months of operation.

6.5 Nomination to Outside Bodies

The **Mayor** introduced the report setting out a number of nominations to Outside Bodies. He **agreed** the nominations as set out.

RESOLVED

1. To agree the nominations to outside bodies as shown in Paragraph 3.3 of the report.
2. To agree the nominations to London Councils Committees as shown in Paragraph 3.8 of the report.

7. ANY OTHER UNRESTRICTED BUSINESS CONSIDERED TO BE URGENT

Nil items.

8. EXCLUSION OF THE PRESS AND PUBLIC

Nil items.

9. EXEMPT / CONFIDENTIAL MINUTES

Nil items.

10. OVERVIEW & SCRUTINY COMMITTEE

10.1 Chair's Advice of Key Issues or Questions in Relation to Exempt / Confidential Business

Nil items.

10.2 Any Exempt / Confidential Decisions "Called in" by the Overview & Scrutiny Committee

Nil items.


11. ANY OTHER EXEMPT/ CONFIDENTIAL BUSINESS CONSIDERED TO BE URGENT

Nil items.

The meeting ended at 6.15 p.m.

MAYOR JOHN BIGGS

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Cabinet 29 July 2020	
Report of: Denise Radley, Corporate Director – Health, Adult and Community Services	Classification: Unrestricted
Understanding the impact of Covid-19 in Tower Hamlets	

Lead Member	Mayor John Biggs
Originating Officer(s)	Joanne Starkie (Head of Strategy and Policy – Health, Adults and Communities)
Wards affected	All wards
Key Decision?	No
Forward Plan Notice Published	8 June 2020
Reason for Key Decision	n/a
Strategic Plan Priority	All priorities

Executive Summary

This report and appendices describe the impact of the Covid-19 pandemic on Tower Hamlets so far and attempts to predict the impact going forward. The report focuses on fifteen topics, the first seven of which have been identified as most significant. For each topic, the accompanying slides describe the national impact to date, the local impact (comparing before and after lockdown, including the results of the recent Tower Hamlets resident survey) and any groups particularly impacted. The slides then go on to predict challenges and opportunities over the next 12 months and beyond. The content of the slides are summarised in this report.

Overall it is clear that the physical, mental and social repercussions of Covid-19 go far beyond the virus itself. One of the main cross-cutting themes in the report is that Covid-19 may have shone a light on inequalities, but these could be exacerbated further going forward: Leading to poorer outcomes for residents, higher demands for support and increased financial pressures on the council. However, the assessment also identifies areas of positive impact, raising a question on how we can best keep hold of these as lockdown restrictions ease. Furthermore, there are other opportunities for us to capitalise on to the benefit of residents and the council.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Note the contents of this report summarising the impact of the Covid-19 pandemic on Tower Hamlets to date and predicting the medium and long-term challenges and opportunities going forward.

1. REASONS FOR THE DECISIONS

- 1.1 To provide evidence and insight in order to inform strategic planning. The report is part of the council's approach to recovery and reconstitution.

2. ALTERNATIVE OPTIONS

- 2.1 N/a – the report is presented for information and discussion.

3. DETAILS OF THE REPORT

3.1 Physical health and mortality

The clearest impact of Covid-19 is in the infection and mortality rate in Tower Hamlets. But there are significant indirect physical health impacts too. The interaction Tower Hamlets residents have with the NHS for non-Covid-19 related issues changed or reduced in most areas when the pandemic started. Due to this and a fear of Covid-19, some are not getting the care or treatment they need. Meanwhile, the wider determinants of health (e.g. employment levels) are changing. There is a real risk that health inequalities in the borough will increase and that many will be living in poorer health. This is likely to be a national trend, but Tower Hamlets may be hit harder given our existing health inequalities.

However, going forward there is also an opportunity to capitalise on people's interest in staying healthy to encourage things like smoking cessation and active travel. The NHS is also likely to accelerate system changes and retain aspects of their pandemic response that worked well, such as 111 use and digital consultations.

3.2 Mental health

Significant impacts for children and adults are predicted here. We know people have been reporting negative impacts on their mental health and wellbeing since lockdown began, but that has not been reflected in the take-up of mental health services. Some of this will be due to changes in service provision during the pandemic, and there are indications that existing users of mental health services may have had difficulties as a result. Meanwhile, some will have experienced traumatic events or changes in their lives from Covid-19 which mean they now need support with their mental health. The 'pent up' demand for mental health during lockdown plus new demand has led to London-wide modelling suggesting a 20-30% surge in mental health demand as lockdown eases. This will have an impact on health and social care services and is a key issue for Tower Hamlets, given that the prevalence of mental health in the borough was already high going into the pandemic.

3.3 Social care

Adult social care services have been at the 'front line' of the pandemic response. The small number of care homes in Tower Hamlets have suffered a number of outbreaks and deaths. This has affected everyone working and living in care homes and their families, and the reverberations will be felt into the future. Demand for social care increased with hospital discharge rates as the pandemic hit, but not as steeply as expected and the system was able to cope. Going forward, we are likely to see demand fluctuate but increase overall, influenced by the impact of Covid-19 on physical and

mental health. The sector has long called for a sustainable funding solution at a national level, and without this, there are likely to be significant financial pressures arising from this increased demand.

There are opportunities too: Covid-19 has seen the profile of adult social care raised (a sector less well understood than others) and there are national commitments to boost this further and support recruitment to hard-to-fill roles. People's growing familiarity with technology for health and care can be capitalised upon. Innovative joint working between health and care will continue into recovery.

3.4 Deprivation and employment

Tower Hamlets came into the pandemic with high but improving levels of deprivation and employment. Since lockdown, there has been an increase in financial hardship from a reduction in income. One of the clearest signs of changing circumstances has been the surge in food bank use and demand for emergency food packages. There are indications that Tower Hamlets has been hit harder than most, with a rise in Universal Credit claimants that is steeper than London and UK averages¹.

Whilst the impact so far has been cushioned to an extent by national and local interventions (e.g. the Job Retention Scheme), as this phases out, more people will face financial hardship and the reverberations of increased poverty will be felt across the board, in people's lives and in demand for services. It will be harder to tackle deprivation through employment if there are less job opportunities and a wider pool of people competing for jobs. Some predictions are for a 'V' shaped economic recovery, counteracting the impact of this year to a greater or lesser extent – but this is simply not known.

3.5 Business

The impact on business has been highly uneven and varies by sector. Hardest hit are those most difficult to function during lockdown and those less viable with social distancing: the arts, retail, entertainment, recreation, hospitality and food services. These sectors make up a small but significant proportion (6.9%) of the jobs in Tower Hamlets, but it is likely that a higher proportion of residents work in them overall.

As with employment, some of the impact of Covid-19 has been cushioned by national and local interventions. But some businesses will not recover as this is phased out and whilst the need for social distancing continues. In the long-term, these changes may accelerate the trend towards online purchasing and service provision, away from high streets. These changes offer opportunities too.

3.6 Voluntary and community sector

The sector has played an integral role in responding to the pandemic, and demand for services has gone up in many areas. The future impact on the sector follows some of the same trends described previously: there are concerns that economic recovery will not keep pace with support to the sector being phased out, leading to financial pressures and potential closure. One report estimates 1 in 10 UK charities faces bankruptcy by the end of the year. At the same time, demand from residents for support is likely to remain high, also raising the question as to where this demand goes if fewer

¹ LBTH Universal Credit & JSA unemployment claimants rose 2.5% between March and April 2020 - higher than London (1.9%) & England (2%). However, 16% of the LBTH working age population has been furloughed in Tower Hamlets as of June 2020 - slightly lower than average for NE London.

VCS services are there. Going forward, utilising volunteers may be able to cushion the impact on the sector to an extent. Locally, some organisations have highlighted challenges around adapting and offering services in safe way (e.g. if can't offer remotely) and a lack of suitable IT resources to work differently in some areas.

3.7 Homelessness and rough sleeping

Whilst not eradicated, rough sleeping as a social problem was largely resolved across England in a very short time period through the 'Everyone In' scheme - a massive achievement given the national ambition is to solve it by 2027. Locally, the scheme has made it easier for rough sleepers to get health and substance misuse support (pertinent given Tower Hamlets has a greater proportion of rough sleepers with mental health and substance misuse needs compared to the London average). In the medium term, national funding is unlikely to continue at the same levels and there is therefore a risk that the situation reverts back to pre-March. However, there is work going on to plan next steps, providing a key opportunity to maintain the progress made so far.

People have been largely protected from becoming newly homeless due to the eviction ban, but going forward, an increase in homeless arising from an increase in financial hardship and without the safeguards put in place between March and August is a significant risk. The high number of people on the Tower Hamlets waiting list may have to wait longer (compounded by any delays in new developments) with more temporary accommodation placements. An increased demand for housing support will also result in financial pressures for the council.

3.8 Safeguarding children and adults

The nature of lockdown has made abuse and neglect more hidden, and indeed, child safeguarding referral patterns reduced at first when lockdown started before increasing towards more 'usual' levels. This may highlight the importance of staff interacting with residents as a way of abuse or neglect being detected or disclosed. Schools are the main source of referrals to children's social care, and school closure has made child protection issues much harder to detect. Adult safeguarding referrals have stayed within a 'normal' range, but this may not reflect the reality.

In addition, whilst the number of missing child episodes reduced with lockdown, there is a sense that new threats have or will emerge, including increased online exploitation of children and Covid-19 financial scams aimed at vulnerable adults.

Going forward, some safeguarding issues will be harder to detect whilst some form of social distancing is in place. At the same time, as restrictions ease we expect to see a resurgence of referrals and a resurgence of some of the issues dampened down by lockdown (e.g. serious youth violence).

3.9 Domestic abuse

Reported levels of domestic abuse were high in Tower Hamlets coming into the pandemic, and the consensus almost globally is that lockdown increased domestic abuse levels, with some victim having gone into lockdown with their abusers. Whilst there have been clear indications at a national level of domestic abuse getting worse (increased calls to Refuge and domestic homicides) the picture locally is more nuanced: reports related to domestic abuse went down at first, then picked up towards pre-Covid-

19 levels. Locally, this again highlights the importance of staff interacting with residents as a way of abuse being detected or disclosed.

Going forward, local modelling is that the 'pent up' demand will result in a 20-30% increase in demand, excluding the July 'peak' in domestic abuse that evidence suggests happens each year. Again, the increase in demand has financial implications for council domestic abuse services.

3.10 Crime and ASB

Broadly speaking, Covid-19 caused an overall reduction in crime of 28% in the UK² but a rise in reports of ASB. This trend was also seen locally, with significant reductions in burglary, robbery and violence with injury (non-domestic abuse). An increase in ASB complaints is thought to be due to noise complaints, friction between neighbours and concerns about non-adherence to social distancing restrictions. Changes are pertinent to Tower Hamlets given that crime and ASB have been reported as a top resident concern. Going forward, the challenge will be to both stop crime levels reverting back to pre-Covid-19 levels and to tackle crime trends that are evolving and adapting. However, there may be opportunities to further utilise resident empowerment and community mobilisation to help prevent and tackle crime and ASB.

3.11 Substance misuse

The impact of Covid-19 on substance misuse has been largely positive. The number of referrals for treatment went up following lockdown, likely influenced by changes in the drugs market (prices went up, supply reduced) and the support being provided to rough sleepers with substance misuse problems. Tower Hamlets has the highest estimated rates of crack and opiate use in London, so this is a significant achievement and provides an opportunity for lasting change. As with other areas where there has been a positive impact, the challenge then becomes how to hold onto this rather than revert back as restrictions lift.

The impact on alcohol use is more mixed: in national surveys, some report drinking more, others have cut down or stopped.

3.12 Education and learning

Schools and early years provision closed on 20th March for all but key worker and vulnerable children, and there has been an expectation of home learning for all children since then. The full impact will take time to emerge, but the basic concern is that the quality and consistency of supported home learning does not match the classroom and that home learning will be harder for some than others (e.g. harder if no internet access or if in an overcrowded household). For a borough with comparatively high attainment levels and high child poverty levels, the longer-term consequence is that the disruption to education could undermine the gains made in educational achievement to date and widen inequalities.

In addition, at one end of the age scale fewer children starting in September 2020 are likely to be 'school ready'. At the other end, children leaving education this year and seeking employment are likely to find it harder.

² Reported crime in the 4 weeks up to 12th April

3.13 Transport and air quality

Car and public transport use dropped at the end of March. Air quality improved in Tower Hamlets, and across London nitrogen oxide dropped by 27%³. This has positive health implications and is significant given that air quality was comparatively poor in the borough before the pandemic.

Public transport usage remains low and advice remains to avoid public transport unless essential. Transport for London now faces significant financial challenges as a result. Car usage has started to creep back up after the initial drop, which will inevitably reduce the gains made to air quality if it continues, particularly given public transport safety concerns. This has all triggered London's Streetspace programme to widen pathways to enable more cycling and walking.

There is now a key opportunity to encourage and enable walking and cycling over driving, speeding up the delivery of the Tower Hamlets Transport Strategy. The consequences of active transport (better health, better mental health, improved air quality) are pertinent given the health impacts of Covid-19 and the correlation found between air pollution and Covid-19.

3.14 Community cohesion and involvement

Mutual aid groups sprang up across the borough in mid-March, often operating on a hyper-local level to help residents to get essential supplies. 2083 volunteers signed up with the Tower Hamlets Volunteer Centre by 18th May. Whilst the availability of volunteers may diminish as people return to previous routines and whilst there are careful issues to think through in relation to some volunteer roles (e.g. safeguarding) there is still an opportunity to strengthen how we work with volunteers on a longer-term basis.

National surveys indicate some national optimism that Britain will be more equal, unified and kinder post-Covid-19. On the other side, social distancing has caused new sources of community friction, with complaints about adherence to social distancing guidelines. The pandemic has arguably shone a light on existing inequalities, contributing to activism aimed at tackling this for BAME communities.

3.15 LBTH workforce

In line with elsewhere, the pandemic caused higher sickness absence levels and higher levels of home working. Home working presents challenges, but it also raises the question of whether less office working will be a long-term trend. Services have been remodelled away from face-to-face contact unless essential: Some of this will come back in as restrictions ease, but there is also an opportunity to build on what has worked well.

Some staff - particularly those in the front line of the pandemic - will have had a highly stressful or traumatic experience and some will need support going forward. But high numbers of staff report good mental health, feeling connected to their team and a sense of doing meaningful work during the crisis, providing an opportunity to build on this further.

³ In the 4 weeks up to 23rd April 2020

4. EQUALITIES IMPLICATIONS

The following protected characteristics have been identified as particularly impacted by the Covid-19 pandemic. A full assessment of all nine protected characteristics has been carried out in a Covid-19 Equalities Impact Assessment.

4.1 Age

At one end of the spectrum, old age is a major risk factor for severe and fatal Covid-19 cases, and greater numbers of older people will have experienced trauma and grief from this. Older people are vulnerable to loneliness, possibly exacerbated by many not using technology to maintain social contact in lockdown (the 'digital divide'). Older people are overrepresented in safeguarding adult cases and will be more affected by emerging risks. They are also more likely to be in poorer health, so will be also disproportionately impacted by the disruption to health services.

Covid-19 for children and young people has been less about direct health risks and more about wider social impacts. The impact of school closure has caused disruption to education, made child protection harder to detect and affected levels of physical activity. This will potentially go on for some time and will have long-term consequences. Local insights indicated high levels of loneliness in young people pre-Covid-19, and there are now indications young people are reporting the biggest change in mental health. Furthermore, young people are being disproportionately impacted by unemployment and job disruption. For a young borough with high but improving levels of child poverty, high childhood obesity and good levels of educational attainment, there is a real risk that the progress made so far is disrupted by Covid-19.

4.2 Ethnicity

People of a Black, Asian and minority ethnic background have been disproportionately impacted by Covid-19⁴. The reasons for this are still being looked at a national level⁵, but it is a clear local concern in for Tower Hamlets as a borough where 55% of the population belong to Black and Minority Ethnic groups⁶.

Across the UK, people of a BAME background are overrepresented in some of the occupations directly dealing with the pandemic, they are more likely to live in poverty compared to those of a White British ethnic background and are more likely to diagnosed with a mental health problem. Again, there is a key risk that the indirect impacts of Covid-19 will exacerbate racial inequalities described here. A Tower Hamlets Race Taskforce is now being established to specifically help address this.

4.3 Sex

Women are less likely than men to die from Covid-19⁷, but the rate of Covid-19 fatalities in women is higher in LBTH than nationally, possibly linked to previous evidence that women have lower-than-average healthy life expectancy.

⁴ June PHE report: People of Bangladeshi ethnicity around twice risk of death as White British when other factors accounted for. Chinese, Indian, Pakistani, Other Asian, Caribbean and Other Black ethnicity: between 10 and 50% higher than White British.

⁵ It is unclear whether ethnicity alone is a risk factor.

⁶ 2011 Census. 32% from a Bangladeshi ethnic background. 4% Black African ethnic background. 2% Black Caribbean groups. 1% from Other Black groups. 3.2% from a Chinese background. 3% Indian. 1% Pakistani.

⁷ Men are more likely to die from Covid-19, possibly linked to occupation.

There is evidence women are being harder hit by changes in the job market (given the comparatively high levels of unemployment in BAME women in LBTH, this is a key issue). Women are more likely to have caring responsibilities, and any negative aspects have likely been exacerbated through lockdown and school closure. Women are the main victims of a rise in domestic abuse. One UN report estimates Covid-19 will undermine global efforts to end gender-based violence, reducing progress towards ending it by 2030 by a third.

4.4 Disability

Disability alone may not be related to a higher risk of Covid-19, but there is a clear association between Covid-19 fatalities and some underlying health conditions. A rise in the number of deaths of those with a learning disability has led to calls for further investigation. People with a disability are more likely to be in contact with health and social care services and will be disproportionately impacted by the disruption to them. People who are 'shielding' are also more likely to be seen in this group, and those shielding are potentially at a greater risk of worsening physical and mental health as a result of stricter social distancing guidelines.

4.5 Socio economic

As mentioned at the start of this report, Covid-19 may have shone a light on existing inequalities, but there is a real risk these have been exacerbated by the consequences of the virus: those on lower incomes are more likely to suffer financial hardship and are less likely to have access to the technology used to cushion some of the blows of lockdown (e.g. to enable social contact, service provision or home learning). Those suffering financial hardship are more likely to face homelessness. The impacts of deprivation are long-term and include poorer physical health, mental health and a higher likelihood of substance misuse and being in contact with the criminal justice system.

5. COMMENTS OF THE CHIEF FINANCE OFFICER

- 5.1. This report provides an update on the impact of Covid-19 and as such there are no financial implications.

6. COMMENTS OF LEGAL SERVICES

- 6.1. The Government has issued guidance to local councils during the coronavirus (Covid-19) outbreak. The advice contained within the guidance has been applied by the council in addressing the responses set out in this report.
- 6.2. Section 149 of the Equality Act 2010 requires the council, in the exercise of its functions, to have due regard to the need to eliminate discrimination and other unlawful conduct, advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not (the public sector equality duty). The Council has complied with this duty in conducting a Covid-19 Equalities Impact Assessment and has taken all necessary steps to ensure that it properly understands how the challenges and opportunities set out in this report affects people who have protected characteristics and to understand the needs of people.

Appendices

Appendix I: Understanding the impact of Covid-19 in Tower Hamlets summary slides
Appendix II: Understanding the impact of Covid-19 in Tower Hamlets full slides

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

- NONE

Officer contact details for documents:

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Understanding the impact of Covid-19 in Tower Hamlets - a summary

1. Mortality & physical health
2. Mental health
3. Social care
4. Deprivation & employment
5. Business
6. Community & voluntary sector
7. Homelessness & rough sleeping
8. Safeguarding adults & children
9. Domestic abuse
10. Crime & ASB
11. Substance misuse
12. Education & learning
13. Transport & air quality
14. Community cohesion & involvement
15. LBTH workforce

Joanne Starkie,
Head of Strategy and Policy - Health,
Adult and Community Services
June - July 2020



Methodology

1. Identified 15 issues felt to be most affected by Covid-19
2. Full impact assessment analyses the impact Covid has had on each issue:
 - Across the UK
 - In Tower Hamlets
 - On any groups in our communities
 - Headline results from resident survey
3. Predicted the potential impact of Covid on each issue in future:
 - Challenges
 - Opportunities...over next 12 months & longer-term



*“We are not all in the same boat.
We are in the same storm”*



Mortality, physical health, mental health, social care



- Significant number of Covid-19 deaths & infections
- Reduced emergency hospital admissions a concern
- Some NHS services paused, many remodelled
- Problems getting essential supplies
- Healthy lifestyles & wider determinants
- Mental health issues already high in LBTH
- Impacts include stress, anxiety, loneliness, grief, PTSD
- Impact on existing MH service users
- Changing demand for MH support
- Adult social care demand increased but manageable
- Cost pressures in the system
- Big impact on care homes, service users, families & frontline staff

- More living in poorer health
- Increase in health inequalities
- 20-30% increase in demand in mental health services
- Longer-term mental health impacts
- Increased demand & cost pressures in social care

- BAU in health & care will start to resume
- Capitalise on interest in staying healthy
- Improve health through active travel
- Opportunity to do more virtually/remotely
- Raised profile for adult social care

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Younger & older

BAME

Disability & LTC

Women & men

Pregnancy

Carers

Deprivation

Care homes

Front line staff

The best of London
in one borough



Deprivation, unemployment, business & VCS



- Deprivation & unemployment had improved in LBTH pre-Covid, but still big challenges
- Economic 'shock' with Covid
- Business & organisational impact uneven, depends on sector. Hard hit areas include hospitality, retail, market traders.
- Furlough, lay offs & reductions in hours for many - impact somewhat cushioned for now
- LBTH possibly hit by economic shock harder than most
- Many business & VCS remodelled to accommodate social distancing, many worried about future

- Deprivation & financial problems worsen when temporary support measures phase out
- Ability to tackle poverty through employment lessens
- Increased demand & cost pressures in council
- Rich & poor gap widens
- Longer-term consequences of increased deprivation felt across the board

- 'V' shaped economic rebound
- Opportunity to recruit to 'hard to fill' roles
- Cost benefits if less need for work space
- Opportunity to do more with volunteers
- New alternatives to high streets



Younger adults

Women

Lower incomes

BAME

With employment barriers

In shadow economy

With food insecurity



Homelessness, rough sleeping, safeguarding & domestic abuse



- Rough sleeping dropped in very short time period
- Enabled wraparound health & care to go in
- Protection from being newly homeless for now
- Abuse & neglect harder to identify
- Some in lockdown with abusers
- Initial dip in children's safeguarding referrals then picked up
- Key role of schools with both this & domestic abuse
- Changes with missing children, suspected online exploitation
- No significant change in adult safeguarding numbers
- Changes with Covid-related fraud, role of volunteers
- Domestic abuse levels already high in LBTH
- Indications of increase in DA across UK not seen in LBTH at first. Dip in referrals then picked up

- Finance pressure of sustaining positive impact on rough sleeping
- Increase in homelessness when eviction ban ends & economic downturn
- Longer wait on housing waiting list
- Some abuse & neglect still hidden, some resurgence in referrals as restrictions lift, including expected surge in children's safeguarding
- 20-30% increase in domestic abuse demand
- Increased demands & cost pressures
- Longer-term consequences for victims

- Ambition to end rough sleeping achievable
- Support to rough sleepers improves health outcomes
- If lockdown a trigger/way of hiding abuse, this will ease as restrictions lift



Children

Older
people

Men &
women

Pregnancy

Disability
or LTC

Lower
incomes

SEND

White &
BAME



Crime, ASB, substance misuse



- Crime in UK reduced overall - including burglary & assault
- ASB reports in UK increased, likely driven by lockdown
- LBTH in line with national trends
- Crime & ASB a top resident concern pre-Covid
- New financial fraud patterns
- Pre-Covid, high crack & opiate use in LBTH
- Drugs market has changed
- Reports of opiate shortages & price rises
- Much higher numbers of people referred for treatment
- Impact on alcohol use is mixed

- 'Rebound' in crime as lockdown eases
- Types of crime evolve & adapt to circumstances
- Increased rivalry between drug gangs
- Switch to harmful opiate substitutes
- When lockdown goes, reversal in positive trends & more overdoses if oversupply, low cost & high purity

- Crime levels stay lower than average whilst restrictions in place
- Long-term changes to how people live will impact crime levels & types
- Residents feel more empowered
- Capitalise on increasing treatment referral rates to reduce substance misuse



Young
people

Older
people

Deprivation

BAME

The best of London
in one borough



Education & learning



- Home learning whilst schools closed
- Concerns about quality & consistency
- Key exams & assessments cancelled
- Grades determined by replacement process
- Pre-Covid, LBTH had good attainment levels- particularly positive given deprivation levels
- All but 4 local schools rated good or outstanding
- Impact of social inequalities on home learning
- Free school meals now restricted to eligible families
- Schools starting to reopen seen as contentious by some

- Children not school ready for September 2020
- Overall negative impact on learning & attainment from prolonged home learning in 2020
- LBTH children harder hit by this if social inequalities exacerbated
- Broader wellbeing impacts arising from children not being in school
- Financial strain on universities from drop in international student applications
- Key challenges for schools going forward: safeguarding, mental health & loss of learning

- Some family relationships strengthened
- Growing familiarity with technology for education
- Potential for innovate ways of working



Boys

White, Mixed Heritage,
Black Caribbean

Lower
incomes

Teenagers

Ineligible
for FSM

Larger
families

Families with English
as 2nd language

SEND



Transport, air quality, community involvement & cohesion



- Car & public transport usage dropped in March
- Car use in UK & London since crept back up
- Minority of LBTH residents are car owners
- Public transport discouraged & TfL now facing financial problems
- More walking & cycling space being created in London
- Cycling down in LBTH, likely due to less commuting
- Evidence of interest in more cycling
- Air quality poor in LBTH pre-Covid
- Air pollution dropped in UK & LBTH in tandem with drop in car use
- Rise in volunteering & Mutual Aid groups
- Some tensions re: neighbours & social distancing
- But general sense of coming together

- Rebound in car use
- Subsequent decline in air quality
- TfL fares increase if bailed out
- Climate change pushed down agenda
- Fewer volunteers as more return to work

- 'Green recovery'
- Meet the aims of the LBTH Transport Strategy
- Capitalise on opportunities to increase levels of walking & cycling
- Improve air quality
- Positive health impacts arising from this
- Tackle climate change
- Galvanise & act on 'community spirit'
- Mutual Aid groups outlast pandemic
- Volunteers remain higher than pre-Covid



Council workforce



- Staff absence levels higher than average
- But services coped well with the pandemic
- Services remodelling away from face-to-face provision unless essential
- More working from home
- 'New' pandemic-related services
- More formal & informal redeployment within council
- Experience of staff likely to be highly variable ('same storm, different boat')
- LBTH staff survey positive about feeling connected to team & doing meaningful work

- More staff absence if future peaks
- Pandemic response impacts BAU & fluctuates as restrictions are eased or re-imposed
- Health & safety issues to address as more work from home
- Some staff need support to recover from pandemic

- Build on sense of team & common purpose
- Opportunity to recruit to 'hard to fill' roles
- Longer term changes to how people work
- This & technology could reduce financial pressures



Cross-Cutting Themes

- **Inequality**. Socio-economic, older people, young people, BAME communities, women, people with disabilities.
- The importance of staff & resident **interaction**.
- How to address the far-reaching impacts of an **economic downturn**.
- How to address **emerging issues** and consequent rise in demand for support, including for: mental health, social care, homelessness, unemployment, domestic abuse, issues & services related to increased levels of poverty.
- How to **hold onto gains**: crime, substance misuse treatment, rough sleeping, air quality
- How to **grasp opportunities**: familiarity with technology, community mobilisation & cohesion, healthy lifestyles, 'green recovery'



Context & interdependencies



Part of the 'Dealing with the Impact' recovery workflow

Interdependencies

- Covid-19 Equalities Impact Assessment (read-across)
- Covid-19 Resident Survey Results (read-across)
- 2020 Strategic Plan
- Finance report

Governance structure defined to address the impact in the medium & long-term



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Joanne Starkie,
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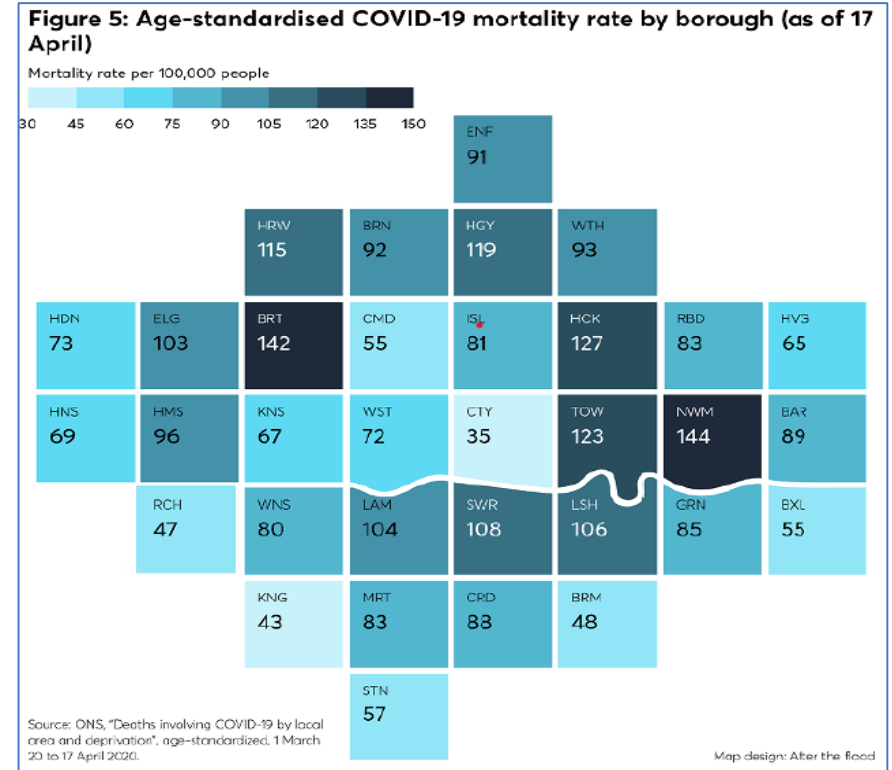
Mortality & physical health - coronavirus 1/4



- The UK has been hard hit by Covid & London has been affected more seriously than the rest of the country. LBTH was part of a global Covid hotspot in March & April, & the crisis is not yet over.
- As of 15th June, 296,857 people have tested positive Covid & 41,736 have sadly died



- As of 15th June, there have been 644 confirmed LBTH Covid cases & 183 people have sadly died. 38% of all LBTH deaths between 29th February & 5th June involved Covid.
- Tower Hamlets has the 4th highest mortality rate in London when age is taken into account. This is likely to at least partly due to the risk factors listed below: LBTH is an urban area with comparatively high levels of deprivation and a large BAME community.
- **Pre-existing condition.** 91% people who died with Covid in March 2020 had at least one pre-existing condition. Diabetes, high blood pressure, cardiovascular all key issues.
- **Older people.** People aged 80+ are 70 times more likely to die than those under 40 with Covid. Pre-Covid, LBTH resident healthy life expectancy below national average, so more older people are in poorer health compared to the average.
- **Care homes residents.** Accounted for 27% of all Covid deaths up to 8th May
- **Deprivation.** Those in deprived areas more than double the Covid mortality rates vs least deprived areas.
- **BAME.** People of Bangladeshi ethnicity around twice risk of death as White British when other factors accounted for. Chinese, Indian, Pakistani, Other Asian, Caribbean and Other Black ethnicity: between 10-50% higher than White British.
- **Men.** Working age males with Covid twice as likely to die as females. Possible influence of occupation. But rate of death in women in LBTH higher than UK average.
- **Urban areas** have higher mortality rates than rural once age is accounted for.
- **Rough sleepers** are particularly vulnerable to Covid.



Mortality & physical health - indirect impacts 2/4



- Excess deaths not yet attributable to Covid-19 - more to understand
 - A&E attendance down. Likely due to reduced need (e.g. less car accidents) & people avoiding seeking needed help. Increase in people missing scheduled health appointments.
 - Pausing of cancer screenings, health checks & elective hospital admissions. Others continued, inc. childhood immunisations (though not in schools)
 - One report estimates cancer referrals have dropped
 - 111 calls surged initially but now decreasing - possible link with A&E attendance drop
 - School & childcare closure: harder to establish &/or maintain healthy behaviours in children
 - Lockdown impacted on physical activity levels. More with sedentary lifestyles
 - Initial evidence suggests that globally, lockdown has contributed to weight gain
 - Some indications that more people are interested or trying to quit smoking
-
- Pre-Covid, LBTH health challenges include diabetes, childhood obesity, smoking, STIs, substance misuse. Comparatively high rates of mortality considered preventable as a result of cardio vascular, respiratory disease & cancer.
 - Reduced & altered access to sexual health services & contraception. Service use, including STI testing for all but the online offer, dropped significantly in April & May
 - LBTH residents more likely to be small & overcrowded housing, arguably making it harder to be physically active during lockdown. People shielding particularly impacted by this.
 - Getting essential supplies of food & medicine key issues. Food barriers include lack availability from stockpiling, mobility & access issues (unable to get to shops) & deprivation (unable to afford). All contributed to surge in demand for food bank & food-related support.

Emergency hospital admissions were at 63% of their level in the same week last year (29th April)

Royal London Hospital has had an overall reduction in A&E attendance of 60%

British Heart Foundation reported a 38% drop in emergency heart surgery in London in the second half of March

Institute Cancer Research reported that cancer referrals had dropped by 70% by end of April

National YouGov survey: 300,000 people encouraged to stop smoking due to Covid fears, & further 550,000 tried to quit.

Rates of mortality considered preventable as a result of cardio vascular disease & respiratory disease higher in LBTH than London & England; rate of cancer mortality considered preventable higher than London but lower than England



Mortality & physical health - indirect impacts 3/4



- **Women:** already have much lower healthy life expectancy than the national average
- **Deprivation:** Higher levels of deprivation is consistently related to poorer health outcomes
- **Disability, LTC, shielding:** Access to food, medicine, physical activity possibly harder.
- Different risk profiles for different conditions.



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Tower Hamlets Healthwatch survey over April:

- Negative feedback on some experiences of 111
- Access to routine healthcare limited
- But people generally felt well-informed on keeping healthy.

LBTH Covid Resident Impact Survey, 29th May to 17th June:

- Confirms residents experienced disruption to NHS services
- Confirms some are avoiding seeking needed help
- Confirms variable but overall negative impact on health & healthy lifestyles
- Residents rated the local NHS response to the pandemic the most positively, compared to other organisations & services

27% of LBTH Covid survey respondents said a pre-existing GP or hospital appointment was postponed due to Covid

26% said they avoided going to a GP or hospital as they didn't want to overburden them

25% said they avoided going to a GP or hospital as concerned about catching Covid

46% said Covid has had a negative impact on their health. 20% report a positive impact.

52% said Covid has had a negative impact on their exercise routine. 31% report a positive impact.

11% said they needed help with health or medical care but are not getting it

39% feel the NHS managed their response to the pandemic very well, 24% somewhat well





Mortality & physical health - 4/4



Next 12 months

Longer term

- Some need ongoing support with wide range of post-Covid health effects
- Ongoing Covid illness & fatalities, worsened by any future peaks
- Some will avoid seeking urgent / available help for non-Covid issues
- Other will now do so, leading to a 'rebound' in demand for health services
- Some NHS services will not yet be restored to full capacity
- More people living with poorer health as a result of not receiving treatment
- Early detection of cancer rates reduced
- Vitamin D deficiency levels up due to lockdown
- Obesity levels improve as lockdown eases, but not to pre-Covid levels
- Schools 'catch up' with school-based immunisation work
- STI's & teenage/unwanted pregnancy increase as lockdown eases

- Covid interaction with flu season unclear
- Increase in health issues for those who missed preventative/early interventions - particularly given LBTH mortality rates for preventable cardio vascular, respiratory, cancer higher than London average
- Increase in poor health outcomes associated with wider determinants (e.g. deprivation)
- Increase in health inequalities, exacerbated by digital divide & more virtual service provision
- Impact on child health, healthy behaviours & development not seen until later life

- System proved capable of coping with any future peaks in the virus
- NHS start phasing elective admissions back in (not at pre-Covid levels)
- NHS continue more virtual consultations & encourage 111 use
- Children's Centre continue virtual offer for health (parents say access easier)
- Acceleration of provider and commissioner integration in health services
- Better joint working between NHS primary & secondary care
- Opportunity to capitalise in people's interest in staying healthy: encourage healthy lifestyles & smoking cessation
- Opportunity to promote walking & cycling (see Transport & Air Quality section)
- Opportunity to increase take-up of flu & other vaccines

- Opportunity to capitalise on people's growing familiarity with technology for health
- Interest in healthy lifestyles will have long-term positive impacts on health outcomes
- Physical health improved by more active travel & improved air quality (see Transport & Air Quality section)



Mental health 1/4



- Covid-19 likely to have had a negative impact
 - Social distancing and isolation known risk factors for mental health
 - Many report feeling anxious & worried about themselves or loved ones getting ill & wider consequences of Covid, e.g. losing work. Some indications that overall anxiety levels high but reducing
 - Many mental health services have been reconfigured, focusing only on urgent needs in some areas & offering more phone & video contact.
 - Trend in England & London was a reduction in MH referrals, community & inpatient services - but mental health trusts now starting to report significant new demand from those impacted by Covid.
-
- Pre-Covid, LBTH had higher than average reported levels of mental health issues - likely due to the prevalence of 'wider determinants'
 - Some wider determinants already exacerbated by Covid & likely impacting on mental health & wellbeing - e.g. access to green space
 - In line with the national picture, most MH services moved away from face-to-face & hospital-based provision, unless essential. Some MH services have accepted only urgent referrals or ran with an adapted offer. May have had a negative impact on those with existing mental health issues.
 - Feedback from ELFT* is that Covid has not yet resulted in a much higher demand for services (including talking therapy referrals, despite encouragement), though picture is variable. A significant reduction demand was initially seen but then started to pick back up.
 - ELFT enhanced their mental health crisis capacity with redeployed staff. Though some crisis referrals reduced at first, feedback is that those presenting were often extremely unwell.

In last 10 days of March, 49% people over 16 reported 'high' anxiety, compared with 21% at the end of 2019 in a national ONS survey.

In a later ONS survey 14-17th May, '[self-reported] anxiety levels, although higher than before the pandemic, have shown a general downward trend through the weeks of lockdown'

Adults in LBTH report the highest levels of depression and anxiety (16.1%) in London and the 4th highest levels of long-term mental health problems (9.8%) (2017/18).

Number of calls made to the Tower Hamlets Mental Health Crisis line since lockdown: 743 in March, 882 in April, 811 in May

Across the areas covered by ELFT, mental health bed occupancy reduced by 60% during lockdown due to reductions in admissions





Mental health 2/4



- **Older people** at highest risk from Covid & vulnerable to loneliness. Compounded by 'digital divide' & already high deprivation levels for older people in LBTH.
- **Children and young people.** Less space to play, less contact with peers, more stress on families. 0-5 yr olds less able to rationalise what is happening & influenced by how family feels. Young people reported strongest feelings of loneliness in pre-Covid survey data. Some UK surveys indicate young people report highest change to anxiety levels due to Covid.
- **BAME** at higher risk of Covid deaths. Existing risk factor associated with MH. Changes to MH services & economic downturn services likely had a disproportionate impact on this group.
- **Carers.** Existing risk factor associated with MH. Women typically overrepresented. Lockdown likely caused increased strain for many.
- **Disability or long-term health issue.** Existing risk factor associated with MH. Particular impact on those 'shielding' where social isolation & worry may be intensified.
- **Pregnant women.** Pregnancy an existing risk factor. Anxiety levels highlighted as an issue in LBTH Healthwatch report. In addition, one UK report found the decline in mental well-being since lockdown has been twice as large for **women** as for men, mainly due to social factors.
- **Unemployment.** Known link between this & mental health. Unemployment a risk factor for suicide. Unemployment rising due to Covid (see later slides).
- **Deprivation.** Existing risk factor associated with MH. A significant challenge in LBTH, at risk of worsening due to Covid impact (see later slides)
- **Bereavement.** Lockdown restrictions likely increased proportion of people experiencing more complicated grief reactions
- Those **surviving hospitalisation** & **frontline workers** at higher risk of PTSD, anxiety, depression. Older people overrepresented in former, those of a BAME background overrepresented in latter.

44% of older people live in income deprived households - the highest proportion in England and more than double the average (Indices of Multiple Deprivation, 2019)

National survey results from 14-17th May show that whilst self-reported anxiety levels amongst adults is higher than before the pandemic but decreasing, for those with an underlying health condition, anxiety levels show an increase.

Unemployed are between 4 & 10 times more likely to develop anxiety & depression.

20% of survivors of intensive care routinely experience PTSD. Increased number of people receiving this due to Covid.

National survey from Nuffield Trust: 80% of those working from home feel it has had a negative impact on their mental health



Mental health 3/4

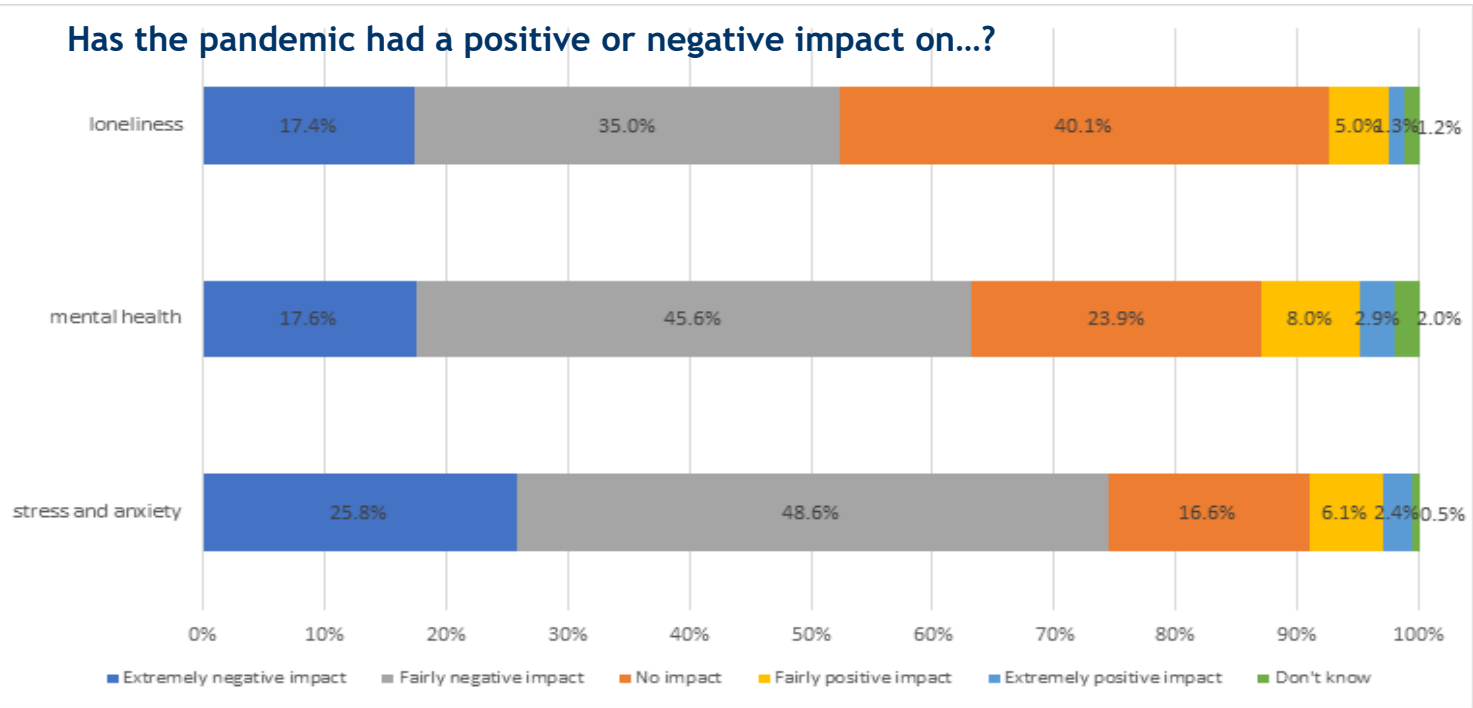


Tower Hamlets Healthwatch survey over April:

- Highlighted resident worries about job or finances
- Some people with mental health issues report issues accessing support - echoed in the LBTH Covid Resident Impact Survey

LBTH Covid Resident Impact Survey, 29th May to 17th June confirms the variable but overall negative impact of Covid on loneliness (52% report negative impact), stress & anxiety (74% report negative impact), and mental health overall (63% report negative impact).

Has the pandemic had a positive or negative impact on...?



42% of Healthwatch survey respondents reported worrying about their job or finances

Of the 53 Healthwatch survey respondents who have a mental health condition, 10 said they have not been able to access the resources that help them manage their mental health (e.g. therapy) whilst 10 said they had

10% of LBTH Covid survey respondents said they need help with mental health or counselling but are not getting it





Mental health 4/4

Next 12 months

- Increase in mental health needs from the general population.
- 'Pent up' increased demand for mental health support as lockdown eases
- Groups described on the previous slide particularly impacted
- London-wide modelling suggests 20-30% surge in mental health demand as lockdown ends
- Financial pressures for health & social care arising from this
- Loneliness & isolation continues to be exacerbated by social distancing
- PTSD in some frontline workers & those surviving hospitalisation
- Increased incidence of suicide (after 2003 Sars epidemic in Hong Kong, there was an increase in in suicides in 65+ population)

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- Psychological impacts will be mild & manageable for most
- Promote staying connected, keeping busy, physical activity, keeping calm, managing media intake & maintaining routine to promote wellbeing (as per national & local survey findings)
- In surveys, some say more expect UK to be kinder, more equal & unified
- Mental health services increasingly readjust to support non-urgent cases
- NHS continue to offer more phone & video mental health consultations
- Changes in services encourages positive risk-taking for more MH users
- Opportunity to develop 'trauma informed communities' to tackle impact

Longer term



- Excessive and protracted feelings of stress & powerlessness have long-term MH impacts for the general population
- Report estimates 500,000 additional people with MH problems in UK if economic impact of Covid similar to that of post 2008 recession. Depression most common. (Centre for Mental Health)
- More complex & advance mental health needs for those who missed early interventions
- Suicide rates increase in tandem with unemployment levels
- Impact on children not seen until later life

- Mental health improved by more opportunities for walking & cycling, & by related infrastructure changes



Social care 1/2



- Demand on adult social care thought to have increased due to Covid, but not as steeply as expected in many areas
- PPE now standard part of social care. Access to PPE & testing a challenge, esp at start of crisis
- Most care homes banned visitors from mid-March. Many not seen family since then; & anxiety levels of staff & residents likely high due to Covid fears.
- Cost pressures in the sector arising from agency cover for staff sickness, PPE & admin costs
- Govt raising the profile of adult social care but long-term funding an unresolved issue
- Long-standing recruitment issues into many roles within social care
- Care Act 'easements' give local authorities the ability to put in emergency measures inevitably resulting in a negative impact on those with less critical needs.
- Likely some carers under increased strain due to lockdown. Recent research: managing restrictions & uncertainty a key challenge for carers.

LBTH has 5 residential & nursing homes - a comparatively small number. As of May, 1 is rated CQC outstanding, 2 good, 2 require improvement.

As of 27th May, LBTH care homes have reported 37 Covid-related deaths

The Carer Centre received 9 new referrals in April and 30 in May: Down from the 40-60 per month more typically received pre-Covid

- LBTH came into this pandemic with comparatively high levels of spend on adult social care
- Demand increased influenced by Covid-related hospital discharge, but not as steeply as expected
- Our local challenges mirror national challenges
- We have not put Care Act easements in place
- Services adapted to respond to the pandemic. Adult social care has been focusing on urgent referrals only due to pandemic. Day services closed. Face-to-face visits offered only when needed. Local Healthwatch feedback that some concerned with changes to care.
- Carer referrals to Carer Centre dropped in April, likely due to reduction in outreach work. Possible unmet need. Some carers not able to do so as are shielding.
- **Older people.** The nature of social care is such that there is an overrepresentation of older people.
- People with a **disability, long-term health condition or mental health** issue are also overrepresented for the same reason.
- A significant number of adult social care users are **shielding** (1285 as of 9th June), with consequent risks to mental and physical health from stricter social distancing restrictions.





Social care - 2/2

Next 12 months

- Social care demand rises in tandem with any future peaks in Covid
- Demand naturally rises each winter
- Health impacts contribute to rise in demand
- 'Rebound' & increase in demand for carer support services
- Financial pressures arising from an increase in demand
- Financial pressures for providers arising from staff sickness & PPE etc
- Social care associated with social contact & community access not fully functioning (e.g. day services) due to social distancing
- Reduction in care home placements due to Covid fears, Risk of provider failure. Higher demand for homecare & ECHS.
- Dealing with staff & SU stress, anxiety, potential PTSD (see earlier section)

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- Social care adjusts back to taking non-urgent referrals
- Continue with phone/virtual assessments & reviews where safe to do so
- Maintain structures that enable rapid hospital discharge
- Opportunity to support carers: research into impact on carers highlights importance of social connection & a sense of community
- Proven ability to flex & adapt workforce in event of future crises

Longer term



- Significant financial pressures
- Longstanding negative impact on carer wellbeing & those who have been through traumatic experiences
- Eventual impact on service model & demand for care home / accommodation-based support sector unclear
- Economic downturn / exacerbated social inequalities = poorer health outcomes = increased demand on social care
- Ongoing demand due to ageing population & demographic change

- Opportunity to capitalise on people's growing familiarity with technology for health & care
- Raised profile results in longer term funding solution for social care
- National and local recruitment campaigns result in fewer vacancies



Deprivation & employment 1/4



- To date, Covid has had a significantly negative impact on the economy and therefore employment and deprivation.
- Economic forecasts predict that annual UK GDP will fall significantly this year
- Many employees experienced a reduction in hours, been furloughed or laid off. Financial impact on people is being cushioned to an extent through things like the Job Retention Scheme & support to self-employed.
- Pre-Covid unemployment levels in LBTH had fallen, but significant proportion of workforce in low paid, part time or insecure employment.
- Pre-Covid deprivation levels high but improved. In-work poverty had increased & this group made up a significant proportion of deprived households. This group in particular likely to be experiencing financial hardship due to Covid, with knock-on effects for child poverty & 'first 1000 days' of a child's life. Plus, a whole new wave of residents have likely been pushed into this category.
- LBTH may have been hardest hit by economic downturn than most: Evidence that the rise in unemployment is being felt more sharply in LBTH than elsewhere. Likely due to number of residents in sectors hit hardest - hospitality, retail.
- Increased levels of deprivation are indicated through a high increase food bank use & emergency food requests, welfare & debt advice. Typical wait for Universal Credit is 5 weeks' long.
- The economic situation has likely dampened work opportunities that may support people out of poverty.

Office for Budget Responsibility forecast for UK. 1 in 3 workers will be inactive in 1st quarter of 2020-21. 3.4m unemployed for 2nd quarter of 2020

GDP fell by 20.4% in April in the UK

Pre-Covid, 32.5% children live in poverty - highest proportion in London & England. 44% older people live in income deprived households - highest proportion in England

65.8% of low-income households receiving Housing Benefit and/or Council Tax Support were out of work in March 2020

As of June 2020, 16% of the working age LBTH population had been furloughed (Newham: 23%, Hackney: 17%)

LBTH Universal Credit & JSA unemployment claimants rose from 3.6 to 6.1% between March and April 2020. Rise of 2.5% is higher than London (1.9%) & England (2%). Equates to 14,280 claimants in April, a rise of 72% on the previous months' figure

First Love Foundation food bank saw a 700% increase in support between 16th March and 14th April 2020 compared to previous year. 47% of residents needed help with benefits & 32% were in debt. Job loss from Covid-19 was an influencing factor.

The number of new Council Tax Relief claims in LBTH increased from 29,270 live cases on 29th March to 30,240 on 26th April

In Feb 2020, 3000 households in LBTH were subject to the benefits cap (89% had children). This group are potentially much less likely to be able to move off the cap by finding work as a result of Covid.



TOWER HAMLETS





Deprivation & employment 2/4



Those on lower incomes. There are indications that those on low incomes are more likely to have had a reduction in hours, furloughed or laid off. Lower earners are concentrated in the sectors that have shut down (e.g. retail, hospitality).

Younger adults. LBTH is a 'young' borough & there has been a particular rise in the proportion of younger adults claiming Universal Credit. Finding work challenging for those finishing education this year. But also evidence that financial impact being 'cushioned' for some by income of other family members in household.

Women. Some evidence that Covid having a bigger impact on women's earnings. Women overrepresented in sectors most impacted by lockdown & more likely to work part-time. Pre-Covid, LBTH employment rate for BAME women much lower than equivalent London rate - could be compounded. Women more likely to be the main carer of dependent children & childcare a barrier to employment whilst schools & childcare not fully open.

BAME. The UK poverty rate is twice as high for BAME groups as for white groups (JRF, 2017). BAME staff overrepresented in the sectors less impacted by lockdown (e.g. health and social care) which may be a protective factor against unemployment - but more to be understood.

Those already facing employment barriers. Includes ex-offenders, those with a disability, in substance misuse recovery. Will be in competition for jobs with others who have lost work & those leaving education. Market will favour those 'job ready'

Those in in the '**shadow economy**' (e.g. paid cash-in-hand) will not be benefitting from government support and likely to be suffering financial hardship.

People identified as particularly vulnerable to **food insecurity** are older people, NRPF, families with children (esp children eligible for free school meals), adults with disabilities & people from BAME.

One study estimates nearly 80% of workers facing job insecurity do not have a university degree. Another suggests almost 1/3 of UK's lowest-paid workers have lost their job or been furloughed over March and April

19% of LBTH residents worked in the distribution, hotel and restaurant sector in 2016-19.

One study found employees aged 15-24 are twice as likely to face job instability during the pandemic compared to older adults.

LBTH Universal Credit claims in April 2020 shows an 87% increase in claimants aged 25 to 49 on previous month (above the 72% average)

46% of LBTH residents are aged 20-39 - higher than London & England

17% of UK females employees work in shutdown sectors compared to 13% men

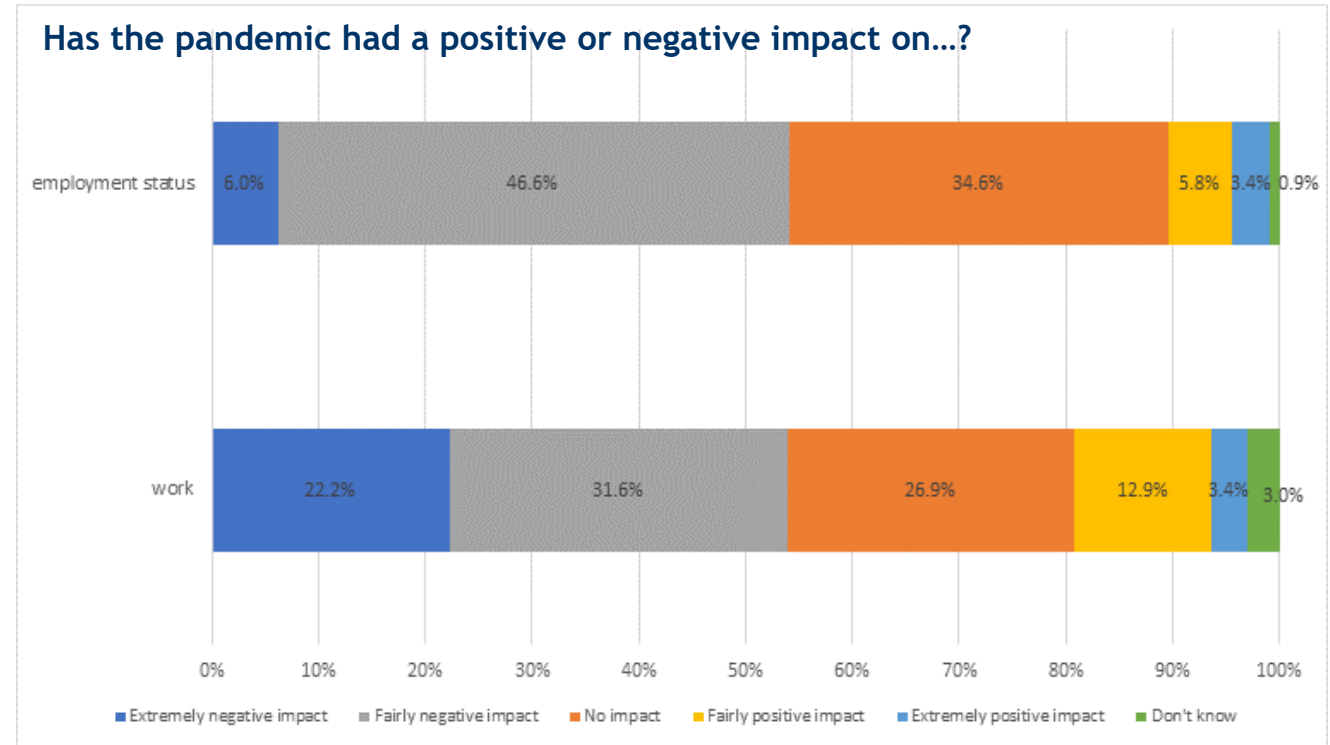


Deprivation and employment 3/4



LBTH Covid Resident Impact Survey, 29th May to 17th June:

- Confirms that Covid has had a negative impact on work and employment status for a significant number of residents. 53% report a negative impact on employment status & 54% report a negative impact on work overall.
- The top concern of respondents is support for residents who are unemployed or on a reduced income (35% rated it a top concern. To note, the top concern in the 2019 Annual Residents Survey was crime and ASB)
- 17 percent of respondents have had a detrimental change in employment circumstances (become unemployed, furloughed or reduced hours). Respondents of a White Other background, BAME backgrounds excluding Bangladeshi and young adults were overrepresented in this.
- Almost half the respondents are working from home.





Deprivation & employment - 4/4



Next 12 months

- Continuation of people experiencing reduced hours, furlough or laid off
- Increase in those newly unemployed/ on low incomes
- Increased demand on council employment & associated services
- Financial pressures arising from increase in demand
- Financial hardship increases when the Job Retention Scheme phased out (currently running until October)
- Less job opportunities arising from economic downturn
- Groups described on the previous slide most impact by this
- Child poverty - already high in LBTH - worsens or does not improve
- Those in poverty & just above the threshold pushed further into deprivation
- Harder to tackle deprivation via employment

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- Opportunity to recruit to hard-to-fill roles, particularly in areas where we expect an increase in demand (e.g. care workers, food production)

Longer term

- Longer-term consequences of unemployment and deprivation include increased risk of mental health issues & poorer health outcomes
- Covid impacts exacerbate existing inequalities including those based on gender, ethnic background, disability & socio-economic status
- Consequent implications on demand for services & financial pressures on council
- Rise in gig economy while businesses tentatively bounce back - e.g. insecure, low wages, poor conditions.
- Those 'harder to place' into employment find it harder still to find work as competing for jobs with newly unemployed

- A number of economic forecasts predict a large economic rebound next year ('V-shaped' economic recovery), counteracting the impact of this year to a greater or lesser extent
- Capitalise on community mobilisation & partnership work to tackle poverty & unemployment



Business 1/3



- In line with the economic impact described in the previous section, many businesses hit hard by Covid, with a sudden demand & supply shock
- Impact is highly uneven & varies by sector. Hardest hit are those most difficult to function during lockdown: arts, entertainment, recreation, accommodation & food services. Market & street traders hard hit. A few areas (e.g. supermarkets) have seen unprecedented demand
- Buying habits have changed, with a bigger proportion spent online
- Number of people working from home has increased but still relative minority of all UK workers.
- Businesses less hard hit will still have been impacted by higher levels staff absence due to sickness &/or self-isolation
- Pre-Covid, LBTH economy growing.
- Impact of Covid on different sectors echoed locally. Approx. 1,200 retail 935 hospitality & 1,000 arts, leisure, entertainment businesses based in LBTH.
- Feedback that main business challenges are paying monthly rent payments, paying staff wages & reduced customers.
- 11% of London's workers are in the two sectors most badly impacted by Covid (arts, entertainment, recreation; & accommodation & food services activities). These sectors make up 6.9% of the jobs in LBTH, but it is likely that a higher proportion of LBTH residents work in these sectors overall.
- Banking, finance & insurance less hard hit. Over half of LBTH jobs in this sector 2016-19, but third of residents work in this sector.



From 6th to 19th April 2020 in the UK, 23% of businesses had temporarily closed or paused trading. 60% of those still trading reported a fall in revenues. 44% of firms responding to a fortnightly national survey said their reserves would last for less than six months.

Buying habits have changed. On 22nd May in the UK the proportion spent online rose to a new record of 30.7%.

65% of market & street traders responding to national survey say forced to close (NMTF)

In 2017, LBTH accounted for 7% of economic output in London. 17,355 local enterprises based in LBTH in 2019: 36% more than in 2014, faster growth than London & UK. 98% were micro/small businesses of <50 employees.

350 LBTH businesses responded to survey in early May. Top 3 issues: paying rent (61%), staff wages (61%), reduced customer/footfall (74%)

As of 28th April, grants totalling £57.6m awarded to 4,052 LBTH businesses (Small Business Grant - £10k per business, Retail Grant Fund - £10-28k per retail, hospitality & leisure business). Grants totalling 5,773 local businesses projected.



Business 2/3

What is the current trading status of your enterprise?



Industries continuing to trade

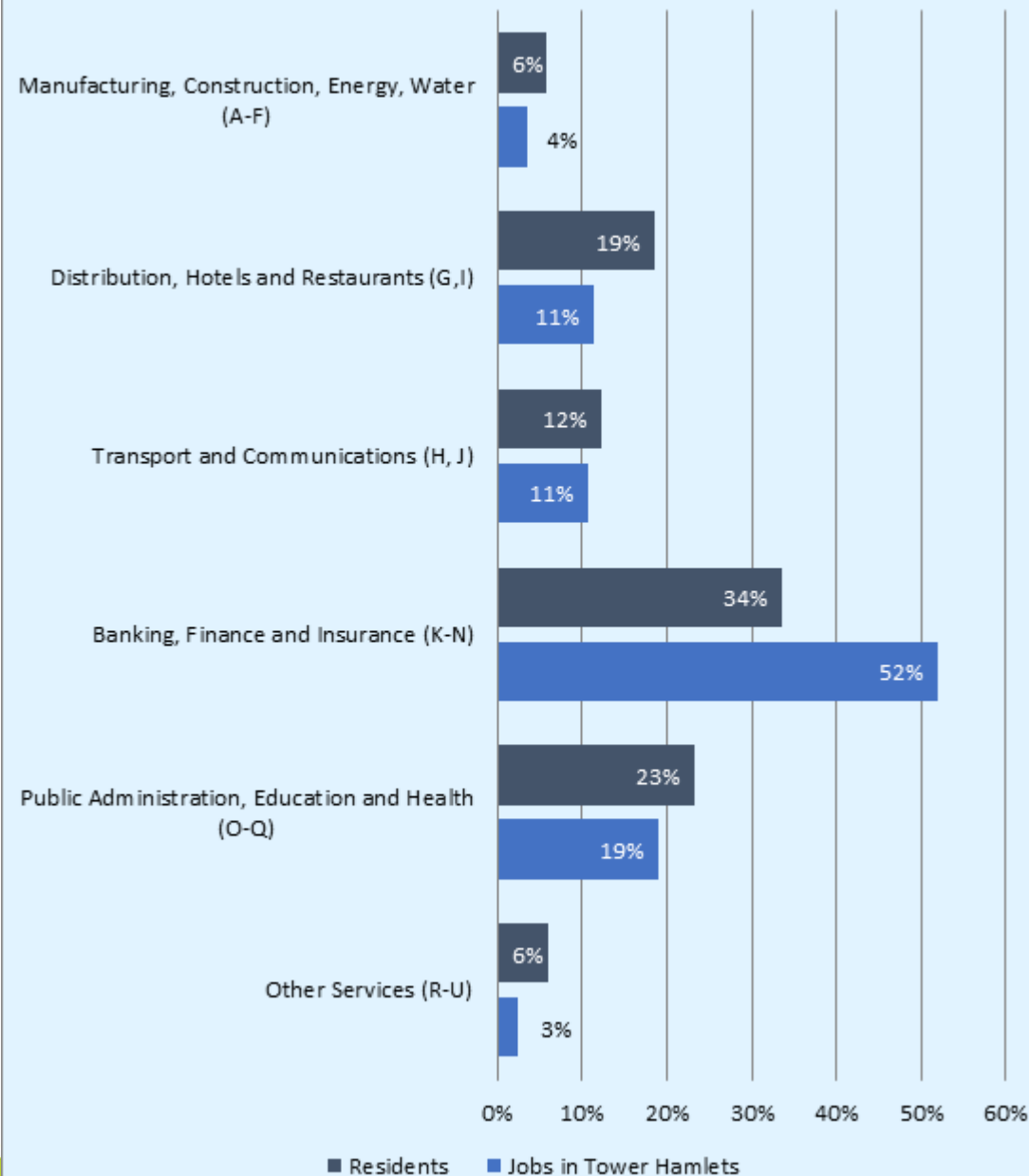
● Least impacted ● Most impacted

Industry	Continuing to trade (%)	% of London's workers ³
Arts, entertainment and recreation	17	3
Accommodation and food service activities	19	8
Construction	71	5
Wholesale and retail trade; repair of motor vehicles and motorcycles	73	11
Manufacturing	77	2
Education	86	7
Administrative and support service activities	90	10
Water supply, sewerage, waste management and remediation activities	92	1
Transportation and storage	92	4
Information and communication	94	8
Professional, scientific and technical activities	96	14
Human health and social work activities	96	10

Source: ONS, "Business Impact by COVID-19 Survey"

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Employment Patterns - Residents and Workers, 2016-2019





Business 3/3

Next 12 months

- Impact continues felt most heavily in arts, entertainment, recreation, accommodation & food services
 - Host of new business now in search of support or on verge of closure
 - Some businesses will not recover. Some unable to afford furlough contributions from August. Some not viable with social distancing.
 - Ability to travel to work an issue when most LBTH residents not car owners & public transport discouraged.
- Any future peaks in virus results in more business disruption & closure
A reduction in migration will impact on some businesses
Risk that childcare businesses reliant on government funding will close.

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- Some 'bounce back' as restrictions lift. Non-essential retail able to open from 15th June
- Some businesses able to function well with social distancing, and/or remodelling
- Grants programme & specialist advice programmes (e.g. on adapting trade models, reconfiguring premises to enable social distancing) could prevent some businesses failure
- Opportunity for council to further engage with businesses

Longer term



- Ongoing challenges in some sectors if social distancing continues
- Accelerated 'death of the high street' as more done online
- How we respond to additional demand from new business who we may not have the technical expertise to support previously
- Increase in working from home & flexible working patterns - reduced demand for work spaces result in less business based in the borough.
- Less office/work space in LBTH leads to reconsideration of what is secured through planning process.
- Childcare business closure impacts on parental employment, child health & development

- New alternatives to high streets (e.g. '15 minute city' - core items easy to source by walking & cycling)
- Less office space may drive down costs
- Opportunity to rethink procurement procedures to prioritise/direct it to local to stimulate growth



Community & voluntary sector 1/2



- Many VCS organisations will have been part of the response to Covid &/or adapted their services to do so. Others - including GLL - have had to close.
- Some VCS organisations seeing an increase in demand due to the impact of Covid - e.g. Refuge & domestic abuse calls, Citizen's Advice Bureau & advice
- Some volunteers active pre-Covid will have stopped due to social distancing, but others have started
- Donations to charity hard hit from lost fundraising income (e.g. London Marathon cancelled), whilst demand for services has risen. One report indicates smaller charities have been harder hit, sometimes unable to furlough staff as this would mean stopping services.
- Working habits changed due to lockdown. Number working from home has increased but still relative minority of all UK workers.
- VCS organisations will have been impacted by higher levels staff absence due to sickness &/or self-isolation
- VCS organisations have played an integral role in LBTH's response to Covid
- A programme of support has been put in place to protect VCS since Covid hit - including 3 month funding guarantee until 30th June & offer of rent relief to organisations using properties leased by the Council
- VCS in LBTH fed back that future financial viability is main concern due to loss of income & future funding uncertainty. Some concerns about ability to adapt/offer service in safe way (e.g. if can't offer remotely) & lack of suitable IT resources to work differently.
- Faith organisations fed back that they are not eligible for a lot of the grant funding advertised in LBTH

Over £8bn is donated by the UK public to charities each year

One June 2020 article quotes Age UK as reporting a £42m deficit & Cancer Research UK expecting to lose £120m in donations in the year following lockdown

Small charities make up the majority of the sector in the UK: 96% turn over under £1 million per year, & indications are that they are hardest hit.

As of 15th May, 74 VCS organisations known to be offering support to residents related to Covid

In early April, the council & THCVS also conducted a survey sent to LBTH VCS organisations on impact & challenge of Covid. 103 responses received.





Community & voluntary sector 2/2



Next 12 months

- VCS financial challenges accelerate from July onwards, as funding guarantee ends but loss of income may remain. Some will not be able to afford furlough contributions from August.
- One report estimates 1 in 10 UK charities facing bankruptcy, with 13% closing within months of June 2020. Smaller charities hit hardest.
- Some VCS organisations will offer a reduced service as a result
- Increase in demand in the areas identified in these slides
- VCS working differently a challenge, e.g. IT infrastructure & home working
- Any future peaks in virus will result in business disruption & closure again
- Some VCS unable to achieve the outcomes specified in council contracts due to Covid - though will ease as lockdown does
- GLL likely to face financial challenge as leisure centres in the borough will not open or operate at full capacity for some time.

- Some 'bounce back' as lockdown eases & restrictions lift
- Opportunity for VCS to better utilise volunteers, in line with feedback

Longer term

- Ongoing challenges with face-to-face provision if social distancing continues
- CVS funding opportunities decrease as a result of economic downturn
- Economic downturn further impacts on legacy income & donations to charities
- Impact on charity sector could result in consolidation, with smaller charities closing
- More demand for council and partner services if less available from VCS
- Health and wellbeing impacts on residents arising from leisure centre and other VCS closure

- Less office space may drive down costs
- 'V' shaped economic recovery has positive impact of VCS



Homelessness & rough sleeping 1/2



- Emergency government & local interventions have had a positive impact, massively reducing rough sleeping levels in a very short time period & preventing homelessness. 'Everyone In' scheme set up to ensure rough sleepers housed in hotels or emergency accommodation, including NRPF. Evictions & possession proceedings halted for 5 months until end of August & LHA was raised
- GLA & MHCLG asked all LA's to fulfil 'In for Good' principle whereby no rough sleepers asked to leave accommodation without plan to move off streets for good. Challenges to move-on plans include lack of ID & benefits
- Many new developments will have stalled due to Covid.
- Pre-Covid in 2018-19, LBTH had 3rd highest housing waiting list in London & 7th highest estimated number of rough sleepers.
- Indications that LBTH has a more chaotic rough sleeping cohort compared to other boroughs: Higher levels of substance misuse & mental health problems.
- In line with the national picture, the impact of Covid has been a large reduction in rough sleeping
- This has enabled more support to go in for ongoing health needs, mental health & substance misuse
- Those still sleeping rough face hardship as some support closed, e.g. soup runs
- A number of people protected from homelessness due to govt.- but Council & VCS staff report an increase in private renters seeking advice, unable to afford rent, waiting for benefits claims & threatened with eviction.
- London rough sleepers more likely to be **men** & from **white** ethnic background
- Homelessness acceptances show an overrepresentation of **younger adults**

As of 1 May, 3,630 people who usually sleep rough in London have been placed in emergency accommodation & 554 people continued to sleep rough. 350 rough sleepers from across London are accommodated in LBTH procured hotels or hostels funded by the GLA situated in LBTH

In LBTH in 2018 there were 18,808 households on the housing register - 3rd highest list in London. In 2018-19 there were 375 people seen rough sleeping - 7th highest number in London.

As of mid-May, LBTH had 124 units of accommodation for rough sleepers. As of 13th May, 120 LBTH rough sleepers were housed in LBTH or GLA local hotels & 4 in hostels (inc. 27 NRPF). 10 known people were sleeping rough after refusing the offer.

Citizens Advice believes 2.6m renters are already behind on rent or expect to fall behind soon, & only 44% of rent collected on time in April

In 2018, 31% LBTH adults estimated to be regularly in arrears with bills - highest in London (Money Advice Service). 2687 are in rent arrears by an average of £1401.

Over 40% of LBTH residents are private renters





Homelessness & rough sleeping - 2/2

Next 12 months

- Potential crime hotspots around hostels and hotels
- Challenges to sustain positive impact on rough sleepers, mainly due to resource implications of providing ongoing support. Exit plans may take 12-18 months to come to fruition, and new rough sleepers being found on streets
- Rough sleepers moving on from current hotel provision with higher needs will need hostels/supported accommodation. These are in short supply & have cost implications. LBTH has a higher prevalence of rough sleepers with high support needs
- Those still sleeping rough continue facing hardship as VCS support not fully operational
- In any subsequent Covid peaks, rough sleepers on the street are at a very high risk
- Large spike in homelessness when eviction ban lifted. Higher risk for: Private rented, tenants already in arrears pre-Covid; financial hardship from reduced work hours, furlough, lay offs; awaiting Universal Credit; relationship breakdowns inc. DA & those 'sofa surfing'; & the 41 NRPF who will likely have limited alternative options.
- Consequent increase in spend on temporary accommodation.

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- High volume of rough sleepers continue to be off the streets, following action from LBTH, London & MHCLG. Opportunity to attract funding from central government to develop accommodation options for rough sleepers
- Continue support rough sleepers with health issues, mental health, substance misuse & dual diagnosis. Closer working between housing, health & social care
- Feedback from London providers: all but small proportion of rough sleepers have low needs, so can move many from emergency to longer-term secure accommodation (though note LBTH rough sleepers have higher than average support needs)
- Any reduction in substance misuse &/or open drug use = positive impact on residents
- Improve customer journey in Housing Options service, learning from less face-to-face, & triaging to respond to those most in danger of homelessness
- More opportunity to support tenants minimise housing debt whilst eviction ban in place
- Domestic Abuse Bill = domestic abuse victims get priority need status for housing.

Longer term



- Financial pressure on council limits ability to develop new support housing provision
- Economic downturn = more people in financial hardship = higher risk of homelessness. If we do not have the resources to support people, this could lead to an increase in rough sleeping
- Impact on housing support in LBTH. Delays in building of social housing (e.g. due to social distancing in construction) results in a longer wait for those on the waiting list.
- Changes in population will impact on demand for homes: e.g. people leaving London, falls in international migration & international student numbers & if birth rate continues to fall.

- Fewer rough sleepers on the streets
- More & better accommodation options for single people, enabling rapid exit from street homelessness
- Ambition to end rough sleeping by 2027 could be achieved earlier
- Economic change may impact rent levels, making tenancies more affordable - though income may change in parallel
- Wider transformation in Housing Options to prevent & relieve more homelessness significantly reduces reliance on costly temporary accommodation.



Safeguarding children 1/3



- Lockdown arising from Covid - esp school & childcare closure - generally thought to have made child abuse & neglect harder to identify
- Some children will have been put into lockdown with their abusers
- Feedback that all London boroughs have seen a drop in young people going missing. Possibly linked to disruption in county lines activity. But those who are involved may face higher risks, including debt bondage from arrest/robbery
- Concern that the risk of online abuse & exploitation has increased due to lockdown; & that child awareness of consent & keeping safe lessening as not in school or early years provision.



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- Pre-Covid, in March 2020 LBTH had 973 children in need, 230 on a child protection plan & 307 looked after children.
- Following lockdown, feedback is that there was an initial dip in overall referral numbers to children's social care - likely due to school closure as schools are the main source of MASH referrals. We have seen a rise in the number of child protection plans over March, April & May. Significant proportion are linked to a spike in domestic abuse concerns seen from mid-April onwards.
- Concern that school closure has reduced opportunities for detection & early intervention: Issues may have become more entrenched.
- However, by end of May, 20% of vulnerable children were accessing education in LBTH, compared to 2.8% nationally.
- Services have been maintained on a BAU footing for the duration of the pandemic. Staff have stayed in contact with children through face-to-face contact & social media
- **SEND:** Children with additional needs & disabilities up to 3 times more likely to be abused or neglected & less likely to disclose due to communication difficulties

Child protection plans have risen to 265 as at 25th May: This is a rise of 35 (15%) since lockdown began.



Safeguarding adults 2/3



- Lockdown likely to have made adult abuse & neglect more challenging to identify. Feedback that some Safeguarding Adult Boards saw an initial reduction in SG referrals/concerns at start of lockdown, & picture over April varies from Board to Board.
- Some adults at risk will have been put into lockdown with their abusers. Evidence suggests social isolation increases the risk of self-harm & self-neglect.
- Inspection & regulation of care settings changed due to Covid, with fewer visits
- National reports of DNAR orders possibly applied inappropriately to some vulnerable adults
- Health & care workforce and volunteers quickly expanded at start of emergency, & community groups sprang up to help support vulnerable people - positive but not without risk
- New scams related to Covid (see Crime & ASB slide) likely targeted at adults at risk: Previous SCIE research indicates those most at risk of financial abuse are older people with mental capacity who do not yet need care & support.
- LBTH has seen an ongoing increase in adult safeguarding concerns over 2017-19, thought to be at least partially due to increased awareness levels.
- However, the number of LBTH safeguarding concerns raised through March & April 2020 seems in line with 2019 figures; & no proportionate increase in DA or financial concerns seen as yet. But has been an increase in proportion of abuse taking place in someone's home & an increase in perpetrators who are known to the individual has happened - consistent with lockdown.
- Feedback from Real that safeguarding advocacy referrals went down when pandemic started
- Feedback from Healthwatch that some thought safeguarding services not 'operating as normal' during Covid & so may have avoided seeking help

Action Fraud has received nearly 2,000 reports of from victims of Covid related fraud, with losses of nearly £5

In March, 130 SG concerns were raised in LBTH, of which 45% turned into a safeguarding enquiry. April figures were 114 & 30%. As a point of comparison: September 2019 shows the highest figures in the last year at 186 & 40% respectively

In 2018-19, 30% of SG enquiries related to neglect, 20% to financial abuse, 15% to physical abuse, 15% to psychological abuse & 6% to sexual abuse.



- **Older people & people with a disability:** In LBTH & nationally, people in these groups are overrepresented in SG work
- **Homeless & rough sleepers:** Highlighted as a group particularly vulnerable to Covid
- **People with a learning disability:** Highlighted by SABs - indications of higher mortality rates during pandemic, risk of diagnostic overshadowing. Covid impacts may be disproportionate for this group.





Safeguarding - children & adults - 3/3

Next 12 months

- Adult & child abuse & neglect harder to detect in lockdown; & lockdown means many have to spend more time with their abusers. Any future peaks will exacerbate this,
- Vulnerable adults continue to be at a higher risk of Covid-related fraud
- Disruption to some forms of crime (e.g. burglary) pushes criminals towards other forms of crime & exploitation
- Increase in exploitation and grooming online
- Parent Covid fears result in children being kept away from school longer than necessary, keeping some abuse & neglect hidden
- Gradual return of children to schools results in further waves of referrals with a domestic abuse component
- Resurgence of safeguarding adult referrals as lockdown eases
- Serious youth violence starts to increase as lockdown eases
- Less parental supervision for children at home leads to more accidents
- Overcrowding from family members self-isolating together
- Financial hardships increase = pressures on families increase

- Increased partnership working to support vulnerable children & adults
- Opportunity to promote good practice on online supervision
- Services are finding new ways of working to engage with parents
- Comparatively high proportion of vulnerable children accessing education in LBTH raises our profile further post Ofsted

Longer term



- Long-term changes in how people work (less face-to-face, more virtual/remote) make abuse & neglect possibly harder to detect
- Opportunity to work with volunteers on service delivery on a long-term basis has safeguarding implications
- Provision that assisted with detecting concerns will cease following economic & financial pressures
- Mistrust of government & council deter people from engaging with services
- Child awareness around consent & keeping safe will lessen if not accessing early years or school provision



Domestic abuse 1/2



- Lockdown arising from the Covid generally considered to have worsened levels of domestic abuse across the UK.
- Some women will have been put into lockdown with their abuser, often with less opportunity to seek help as a result of the abuser being permanently present.
- Schools have an important role in detecting DA concerns in families, and school closure has likely impeded the ability of schools to do this.

A Women's Aid survey found 67% of survivors currently experiencing abuse said it had got worse since Covid. 78% said Covid had made it harder to leave their abuser.

Met Police reported a 24% increase in DA charges & cautions between 9th March & 24th April. Calls to Refuge helpline 66% higher than normal with 950% increase in website visits

Nearly three times as many women were killed by men during three weeks of coronavirus lockdown in Britain than the average for the same period over the last decade

Pre-Covid, LBTH in top 5 highest reporting London boroughs of DA & in top 2 boroughs for domestic homicide

Over April, 144 of the calls made to the National DA Helpline came from Tower Hamlets - the highest number of all London boroughs

5% reduction in domestic abuse in police recorded crime figures when comparing 31st March to 13th April 2019 and the same period in 2020; & 23% reduction in domestic abuse violence with injury



- **Women.** DA is a gendered crime & women are more likely to victims.
- **Pregnant women** more likely to be victims of DA & are being advised to follow more stringent social distancing measures - could result in having to spend more time with abuser.
- Women on **low incomes**, with **mental health** issues or **learning disability** are at an increased risk of DA.
- DA has immediate and long-term impacts on **children and young people** & likely children have had greater exposure to DA given school closures





Domestic abuse 2/2

Next 12 months

- Domestic abuse harder to detect during lockdown & lockdown means many have to spend more time with their abusers. Severity of DA increased
- Any future Covid peaks will exacerbate this further
- Increase in demand for support. 'Pent up' demand as lockdown eases. Gradual return of children to schools triggers further waves of referrals with DA component. Stopping of NRPF easements creates surge of need for advocacy. Overall, LBTH projection model predicts 20-30% increase in DA: 100-170 cases pcm, not accounting for July peak (July peak month for offending: ease in lockdown will exacerbate the seasonal peak).
- Advocacy provision & refuge spaces not able to meet projected demand
- Financial pressures arising from increased demand
- Financial hardship for victims from wider Covid impacts (e.g. job loss)

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- Domestic Abuse Bill references that domestic abuse victims get priority need status to access housing.
- Small short-term grants funding available for charities to cope with staffing or technology to assist delivery of services during Covid



Longer term

- Longer-term physical & mental health impacts on women & young children from increased level & severity of DA, inc. depression, immune dysfunction, substance misuse, eating disorders & diabetes. Compounded by shortage of therapies for non-English speaking victims
- Increased risk of suicide, higher in South Asian women
- Number of long-term negative impacts associated with children who witness DA
- Delayed/backlog of trials deters some victims from giving evidence. Prosecution of perpetrators & confidence in system declines.
- Surge in permanent housing demand means some victims return to perpetrator, leading to repeat victimisation.
- One report estimates Covid will undermine global efforts to end gender-based violence, reducing progress towards ending it by 2030 by a third.

- If the driver of increased DA levels is lockdown, levels likely to return to 'normal' when lockdown has gone.



Crime & ASB 1/2



- Lockdown appears to have reduced many types of crime.
- Unsurprisingly, burglary & shoplifting dropped as people stayed at home & shops closed. Reduced numbers of people on the streets & cafes etc. reduced traditional forms of street crime; and bar & pub closure reduced incidents of alcohol related disorderly behaviour.
- Anti-social behaviour rose, likely mainly driven by lockdown breaches
- New financial fraud patterns linked to Covid: online & phone fraud, including from phony health authorities, phony charities & the selling of phony testing kits & PPE

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- Pre-Covid, crime & ASB a top resident concern & a significant issue in LBTH
- LBTH largely reflects national trends: Reported burglary, robbery & violence with injury (non-domestic abuse) all reduced. ASB reports increased, as have noise complaints: feedback is that social contact fears may mean low level behaviour may be being reported rather than resolved in person.
- Crime & ASB hotspots may change to locations that remain open (e.g. supermarkets, parks) & hotels where vulnerable groups/rough sleepers placed to self-isolate



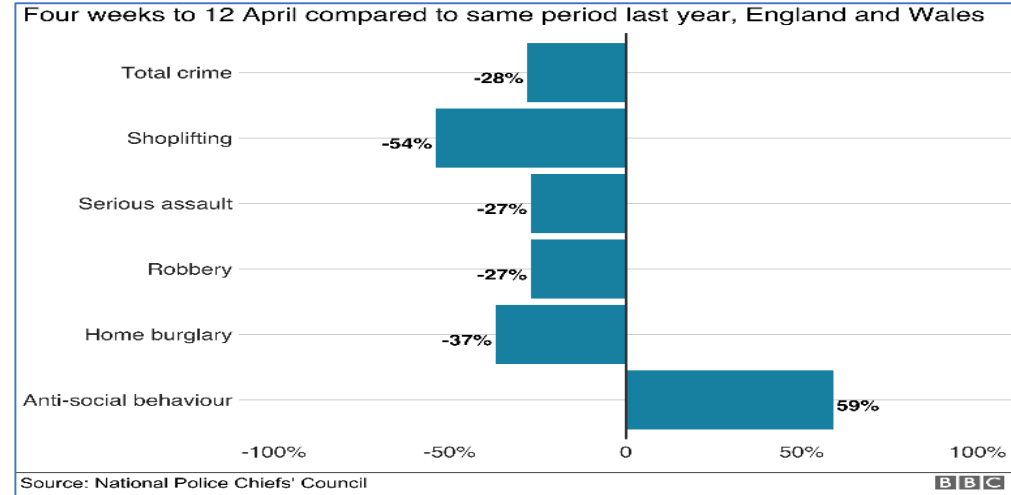
- **Older people** and those feeling more socially isolated may be at an increased risk of Covid-related fraud.
- **BAME**: A disproportionate number of fines and arrests made during lockdown were issued to BAME residents in London.



- In the LBTH Covid Resident Survey, the second most commonly raised concern is crime and ASB, with 25% rating it as one of their three top concerns. Crime and ASB was the top concern in the 2019 Annual Residents Survey with 48% raising it, but the two surveys are not directly comparable.



Overall reduction in UK in reported crime of 28% in 4 weeks up to 12th April



Pre-Covid, LBTH had 6th highest rate of crime in London (total notifiable offences) & 2nd highest rate of ASB calls in London. In the 2019 Annual Residents Survey, 86% said they feel safe in the area during the day & 58% feel safe at night.

In LBTH, comparing 31st March to 13th April 2020 with the previous year shows decreases of 30% for burglary, 46% for violence with injury (non-DV) and 66% for robbery. ASB reports to the police increased 152%





Crime & ASB - 2/2

Next 12 months

- 'Rebound' in burglary, theft, alcohol related disturbances & violent crime as lockdown eases
- 'Pent up' rebound in serious violence, with links to drugs markets
- Change in 'crowded places' results in new terrorism risks, including supermarkets, hospitals, distribution centres & warehouses
- If lockdown is flexed to respond to any future peaks in the virus, types and volumes of crime will change in line with this
- Types of crime will evolve & adapt to their circumstances - e.g. evolving forms of fraud

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Crime types that have reduced lower-than-average levels to continue for as long as social distancing in place

- Residents less likely to report crime & ASB their top concern given crime reductions
- Opportunity for residents to be more active in reporting crime having experienced a reduction

Longer term



- If things return to normal, so might pre-Covid crime and ASB patterns
- Increase in deprivation is likely to have a long-term negative impact on crime & ASB levels
- Travel & other restrictions lasting longer than a year impact on serious organised crime activity

- Long-term changes in work patterns may impact on crime levels - e.g. more people working from home may reduce burglary



Substance misuse 1/2



- There has been changes to drugs markets, dealers and users due to Covid. UN report concludes that Covid led to opiate & cocaine shortages & price rises in Europe, leading to rises in people accessing treatment & in accessing synthetic alternatives. Cannabis supply is largely unaffected and demand is up.
- The impact on alcohol use appears mixed. More people sought help from Alcohol Change UK for problem drinking. In national surveys, some report drinking more whilst other have cut down or given up.

4,089 sought advice from the “get help now” section of its website between 23 March and 30 April last year, compared to 20,067 visits one year on.

In a nation survey, 20% of Britons who drink said they have begun drinking more often since lockdown, however 35% of those who usually consume alcohol have cut down and 6% have given up.

- Pre Covid, LBTH had the highest estimated rate of crack & opiate use in London
- National & international trends are reflected here. Drug prices have increased in London (2-3 times more from some reports) & feedback is crack & heroin availability reduced.
- This & the housing of rough sleepers in hostels & hotels has contributed to much higher numbers of people self-referring for treatment.
- Organised crime groups and/or urban street gangs who depend on income from street-based drugs markets will have adapted how they operate.

On 8 April, LBTH RESET treatment service received 55 new referrals, many from homeless hostels and hotels. The number of new referrals in April 2020 was 201 compared to 207 for April-June 2019/20.

The Drug Intervention Project, working with offenders with drug problems also reported an increase in self referrals.

- **Adults** - comparatively high rates of crack & heroin use
- **Young people** - drug of choice of those in treatment is alcohol & cannabis
- **Rough sleepers** - 71% of those seen sleeping rough in LBTH October to December 2019 had a substance misuse.





Substance misuse - 2/2

Next 12 months

- Increased rivalry & violence between drug gangs as wholesale & retail price of cocaine & opiates has risen
- If prices stay high, acquisitive crime (e.g. theft) may increase
- Drugs that are in short supply, or lower purity & higher price lead to some switching to harmful substitutes, e.g. fentanyl
- UN report notes that stockpiling by drug suppliers has likely occurred, leading to possible oversupply, low cost, high purity & overdoses once restrictions eased

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- Opportunity to continue increasing the number of people accessing treatment and to prevent relapse
- High drugs prices may deter some from starting or relapsing

Longer term



- UN report: economic shocks result in an increase in drug consumption & downturn could lead to 'last transformation of drugs market' due to more pushed into making a living from it, less enforcement and lower retail price
- Negative impacts associated with increase in cannabis use (if an increase has happened in LBTH)

- Opportunity to make significant improvement in levels of crack and opiate use in LBTH via treatment referrals, prevention & early intervention



Education & learning 1/3



- Schools & childcare settings closed on 20th March to all but key worker & vulnerable children. Schools started to reopen from 1st June, starting with reception & years 1 & 6 (but highly variable). Many not operating at full capacity due to social distancing requirements.
- Expectation of home and/or distance learning across the board.
- Key exams & assessments cancelled this year. Ofqual instead developing a process that takes into account a broad range of evidence, including assessments by schools and colleges of the grades that students would have been likely to obtain if exams went ahead & prior attainment
- Pre-Covid, attainment across LBTH at all stages of school was above national averages. All but 4 schools & all but 3 childcare settings rated by Ofsted as good or outstanding. LBTH primary schools were going through reorganisation to ensure sustainability of smaller schools struggling due to falling rolls.
- An average of 77 schools & 69 childcare settings have remained open for vulnerable & keyworker children. Several schools acted as hubs to accommodate eligible children from closed schools. 5 Children's Centres remained open.
- Attendance during lockdown remained low (an average of 200 pupils in school, 589 in childcare), especially amongst vulnerable children - but increased week on week.
- Schools have adopted a variety of approaches to supporting pupils with home learning: online resources; providing work packs to be collected by parents & virtual lessons.
- Pre-Covid, all primary school children received free school meals. The National Voucher Scheme that has largely replaced free school meals is only going to eligible families
- Adult learning has also shifted away from classrooms to remote learning, which will have been inaccessible for some

In a national ONS survey 17-27th April, 63% of those with dependent children said they had home-schooled their child in the last week (note children may be pre-school age or being home-schooled by another household member). 69% of those who had said they had access to the resources needed to do it well.

69% of LBTH early years pupils achieving a good level of development in 2019, up from 46% in 2013

Key Stage 4 LBTH pupils had higher attainment outcomes in 2019 than their national peers with similar prior attainment. 44% got strong pass (grades 9-5) in English & Maths in LBTH vs 44% England. 68% got standard pass (grades 9-4) vs 68% England.

Overall, Tower Hamlets is ranked third out of eleven statistical neighbours.



In the LBTH Covid Resident Survey, the third most commonly raised concern is schools reopening, with 24% respondents rating it as one of their three top concerns.

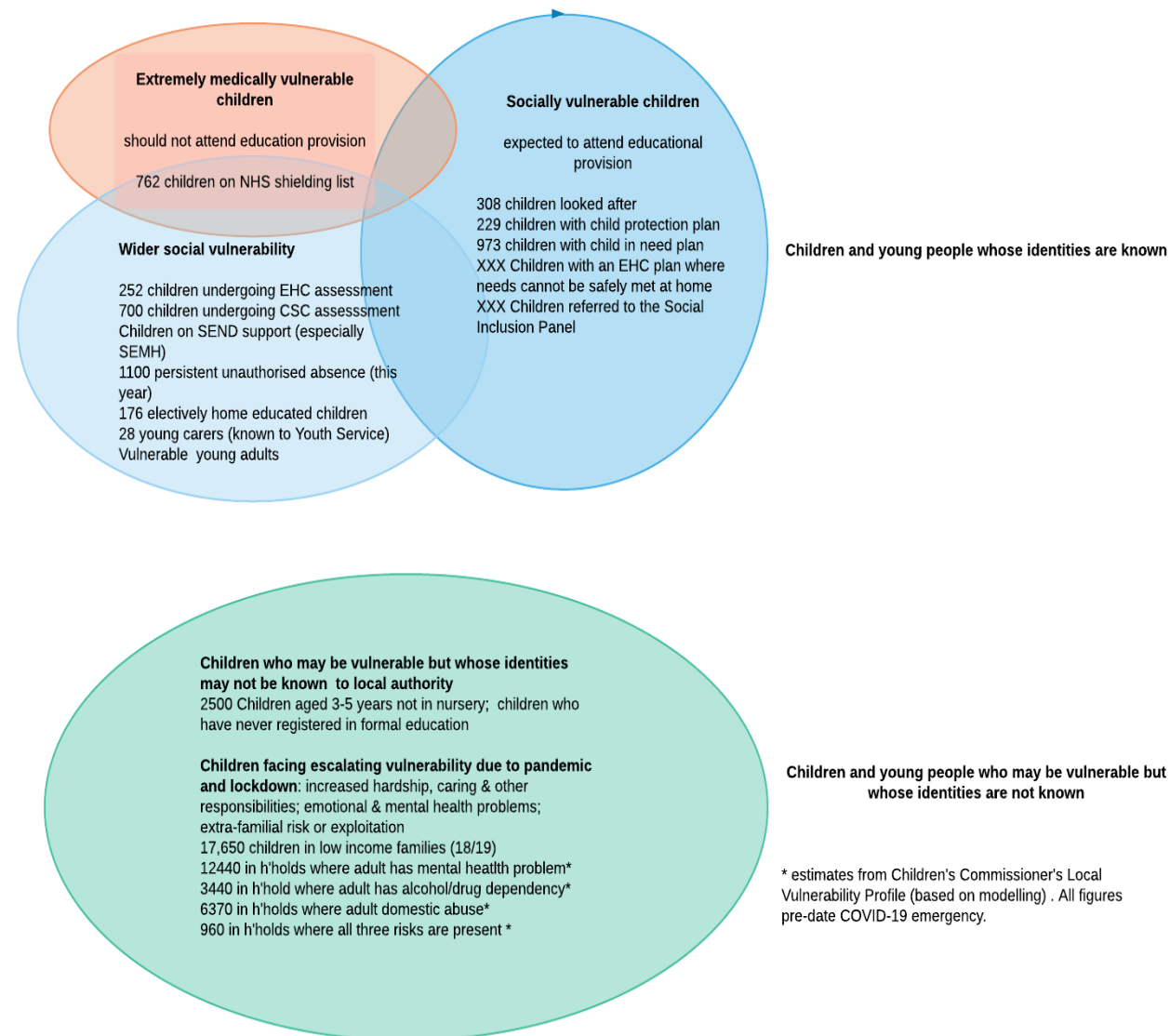




Education & learning 2/3

- Any children classed as **vulnerable** in the diagram opposite. These children already have additional challenges which may be exacerbated by the pandemic
- **Boys.** Pre-Covid, girls had higher attainment than boys across all stages
- **Ethnicity.** Pre-Covid, White British children, those from a mixed heritage and Black Caribbean children in LBTH perform less well than their counterparts.
- **Families on low incomes.** Children from low-income households live in conditions that make home schooling difficult: e.g., no space to do homework, less likely to have a computers & internet connection.
- **Teenagers** - parents are reporting a change in routines with many staying up late and sleeping through the school day, not accessing school work
- **Families not eligible for FSM:** Families not eligible for free school meals under the national scheme may be struggling now the offer is not universal.
- **Families with English as an additional language** may find home learning difficult due to language barriers.
- **Larger families** may be impacted as a range of ages will decrease parental time with each one when supporting learning
- **SEND:** For example, some opportunities for early identification and support with learning and development needs will have been missed.

Overview of different groups of vulnerable children in Tower Hamlets





Education & learning - 3/3

Next 12 months

- Ongoing impact on quality & consistency of education provision as remote / home learning not the same as classroom. Particular impact on groups in last slide.
- Parent Covid fears mean some children kept away from school longer than necessary - consequent impacts on quality & consistency of education
- Concerns about inaccurate awarding of qualifications (can appeal)
- School risk assessments delay/prevent some from reopening (e.g. not enough space to be socially distant)
- Some school staff from at-risk groups reluctant to return, increasing need for agency / unqualified staff
- Re-integrating children to school puts pressure on services including Parent & Family Support Service, SLS & BASS
- Possible delays with LBTH reorganisation of primary schools
- Children not school-ready for Sept 2020

- School closures mean families are spending more time together, strengthening family relationships
- CAMHS developing plans for work with children who remain out of school post-lockdown.
- Some young people who were previously disengaged from education (e.g. young people supported by exploitation service) benefitting from home learning during lockdown - opportunities to build on this

Longer term



- Risk of attainment levels dropping. Part of national trend, but LBTH harder hit if Covid exacerbates social inequalities
- Poorer language acquisition in 0-5 yr olds impacts on outcomes in school & beyond
- Financial impact on higher education as a result of a drop in international student applications
- Those who miss exams have less experience of them in future
- Time out of education, away from peers & away from open spaces has other consequences, including for children's emotional well-being, confidence, physical development & learning
- Covid fears last into next year & result in school attendance levels lower than pre-Covid
- Reduced early socialisation in 0-5 yr olds impacts on schools behaviour when older

- Many children will remain resilient in face of challenges
- Schools will engage with innovate ways of working
- Increased familiarity with technology for education for school staff, pupils & parents



Transport & air quality 1/3



- Car & public transport usage dropped in March. Car usage started creeping back up in May when lockdown easing announced.
- TfL usage levels still low due to proportion of workers not commuting & social distancing challenge. TfL estimates an 80% reduction in public transport capacity is needed. People asked to avoid public transport unless absolutely necessary. TfL now facing financial problems as fare income has plummeted. Challenge that TfL use may be replaced with car use.
- As a result, Streetspace announced by Mayor of London on 15th May. Plan to create more space on streets so people can walk & cycle more. Congestion Charge and Ultra Low Emission Zone (ULEZ) reintroduced on 18th May.
- Indications that air quality improved with lockdown across London.
- Evidence of correlations between higher PM2.5 and nitrogen dioxide & higher Covid deaths, but no causal link yet established. Air pollution increases risk of many pre-existing conditions that make Covid more severe & deadly.
- Pre-Covid, air quality & road congestion key challenges in LBTH. 37% of LBTH residents own a car (well below national average) but high levels of congestion from through traffic & major roads.
- Evidence that cycling trips in LBTH have reduced since lockdown - likely due to fewer commutes. Fewer weekday trips compared to weekend, suggesting cycling for leisure may have increased.
- 2014-19 LBTH Transport Strategy includes aim for LBTH to be one of best places to walk & cycle in London
- Section of Old Ford Road at Skew Bridge closed to cars due to Covid to help create space for social distancing
- Programmes to improve air quality & active travel - e.g. Liveable Streets - continuing through lockdown

The number of TfL bus passengers has dropped 85%, and people using the tube has dropped 95% compared to last year (as of 12th May)

77% of LBTH residents (& 48 schools) live in areas of unacceptable air quality. LBTH has 9th highest mortality rate attributed to human-made air pollution in London.

Mayor of London figures showed 27% drop in nitrogen oxide across London in the four weeks up to 23rd April - though note springtime is the most polluted time in UK

NO2 levels improved in LBTH. Mile End Monitoring Station monthly average NO2 $\mu\text{g}/\text{m}^3$: 24.7 & 18.1 for April & May 2020 vs. 41 & 33.8 in 2019. In Blackwall: 30.8 & 29 in April & May 2020 vs. 42 & 7.1 in 2019.

In an national AA survey 14-20th April, 22% said they will drive less (24% aged 65+); 36% reported they will walk/cycle/run more

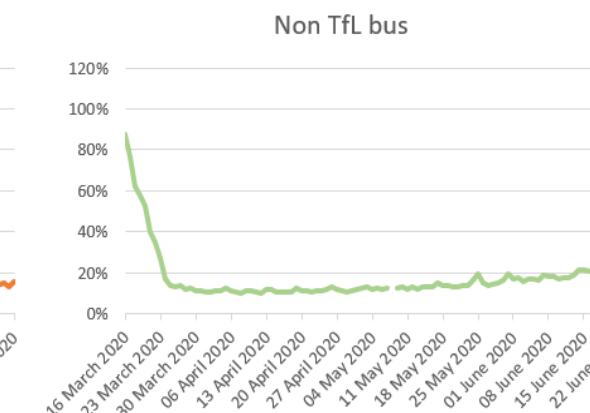
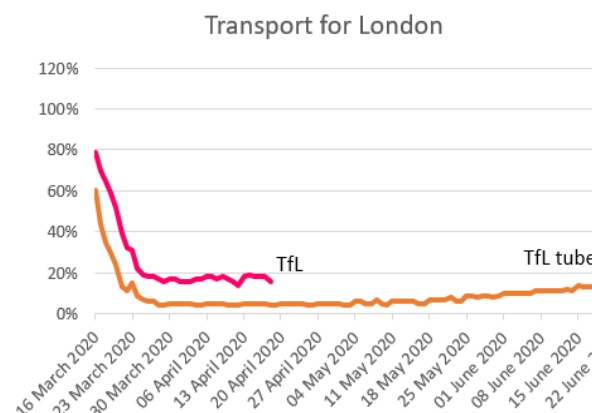
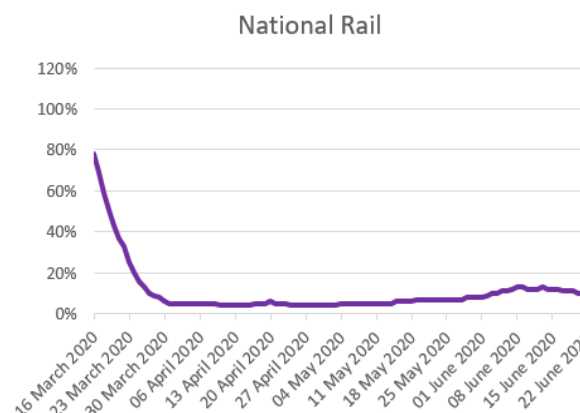
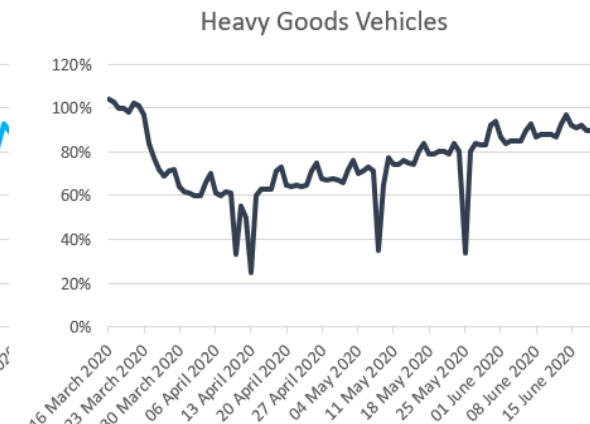
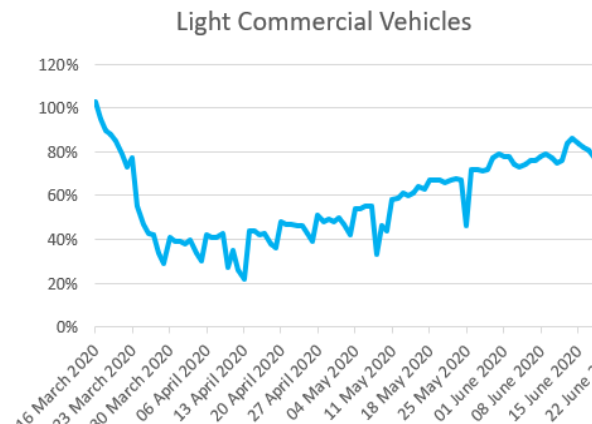
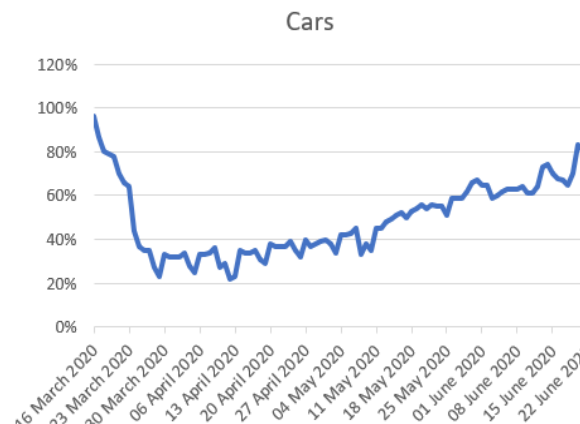
Cycle counts in St James Gardens, Bethnal Green Gardens and Meath Gardens in April 2020 was 28% lower than April 2019 figures



Transport & air quality 2/3



In the LBTH Covid Resident Survey, the fourth (of a possible 18) most commonly raised concern is improvements to streets and pavements for social distancing, with 24% rating it as one of their three top concerns. This is followed by air pollution as the fifth most commonly raised concern (21.5%).



Transport data is indexed to the equivalent day in either January or February 2020 (Traffic and Buses) or 2019 (Rail).

Source: Department for Transport

<https://www.gov.uk/government/statistics/transport-use-during-the-coronavirus-covid-19-pandemic>





Transport & air quality - 3/3



Next 12 months

- If TfL usage needs to reduce by 80% & all switched to active travel, LBTH would have to accommodate 60-70% more resident active travel trips (& more from non-residents).
- Conversely, LBTH would see an increase of 50-60% private transport trips if car-owning households switched their usual public transport journeys to cars. Subsequent negative impact on air quality & journey time.
- Challenge to manage the potential rebound in car usage as lockdown eases whilst travel by public transport is discouraged.

Longer term

- A TfL 'bailout' could result in a fares increase, making travel for under-18s, people with disabilities & older people potentially harder
- Any long-term negative impacts on TfL has subsequent impacts on commuters & therefore LBTH businesses
- Conversely, long-term impacts on working from home patterns & on businesses has subsequent impacts on transport
- Climate change could be pushed down the agenda as a result of socio economic impact of Covid

- Page 67
- Significant opportunity accelerate aims of the LBTH Transport Strategy, inc. encouraging more walking & cycling. Utilise Streetspace Plan funding; utilise comms campaign.
 - Greater availability of cycle paths & wider footways
 - Utilise feedback that indicates willingness among good proportion of people to walk/cycle more
 - Road safety will increase if roads less dominated by cars
 - Improved air quality will have health benefits given air pollution increases the risk of many pre-existing conditions that make Covid more severe (e.g. asthma) & possibly Covid itself
 - Bart's Health NHS Trust keen to work with council on Streetspace initiatives

- People more aware of benefits of better air quality
- Opportunity to change how people travel around the borough on a long-term basis, towards more active travel
- Potential for review of planning policy/regeneration projects to support this shift
- Advances in e-bikes support this further if easier option for long distances
- Physical and mental health benefits of increased physical activity
- Health benefits of improved air quality, inc. improved child lung capacity
- Reduced mortality associated with air quality (Kings Fund report using 2010 data: 158 LBTH deaths attributable to particle matter & NO2)
- Contributes to tackling climate change
- Switching use of polluting vehicles to clean vehicles
- Movement of some companies towards more home working reduces pressure on public transport



Community cohesion & involvement 1/3



- Many communities responded to Covid with 'prosocial' behaviour
- 'NHS Volunteer Responders' programme launched in March. Aim to get 250,000 signed up well exceeded. Some feedback that there is much lower than anticipated demand.
- A huge number of mutual aid groups spring up around the UK when the pandemic started. These generally aim to help vulnerable isolated people to use neighbours to fetch food & medicine. This may have reduced demand on the NHS scheme.
- Covid has shone a light on race inequality, arguably contributing to anti-racism action (followed by extreme right-wing counter-reactions) that gained pace in June.
- Pre-Covid, LBTH had comparatively high levels of resident-reported community cohesion levels.
- National trends are mirrored locally. Many mutual aid groups set up, often operating on a hyper-local level (e.g on one estate). Number of people registered to volunteer with the Tower Hamlets Volunteer Centre is much higher than pre-Covid levels.
- Many volunteers are residents get food, medicine and company (e.g. via telephone befriending)
- However, feedback from Healthwatch is that there is some growing conflict between neighbours due to lockdown - backed up by noise complaints to LBTH - & tension as residents raised concerns over others not adhering to social distancing rules.
- There has been no rise in hate crime locally between March & June, & risk of rise in hate crime towards Chinese community not seen.

Around 750,000 signed up the NHS Volunteer Responders app, of which 600,000 have been accepted. As of end of April, 75,000 tasks had been logged.

An estimated 4,300 mutual aid groups exist, connecting up to 3 million people in the UK.

As of 18th May, 2,083 residents registered with Tower Hamlets Volunteer Centre. 1984 matches have been made to date.

Between 23rd March & 25th May, 157 people volunteered for 686 hours with Tower Hamlets Homes. This including 256 shopping trips, 74 medication pick-ups & 1816 hot meal deliveries.

In the 2019 LBTH Annual Residents Survey, 76% of residents thought people of different backgrounds got along well together - down from 86% in 2018

In a national survey 14-17th May, 22% said Britain was unified before the pandemic & 49% thought it would be after the pandemic. 42% thought was very/somewhat kind before, 61% thought would be after. 15% thought was very/somewhat equal before, 22% thought would be after.



Community cohesion & involvement 2/3



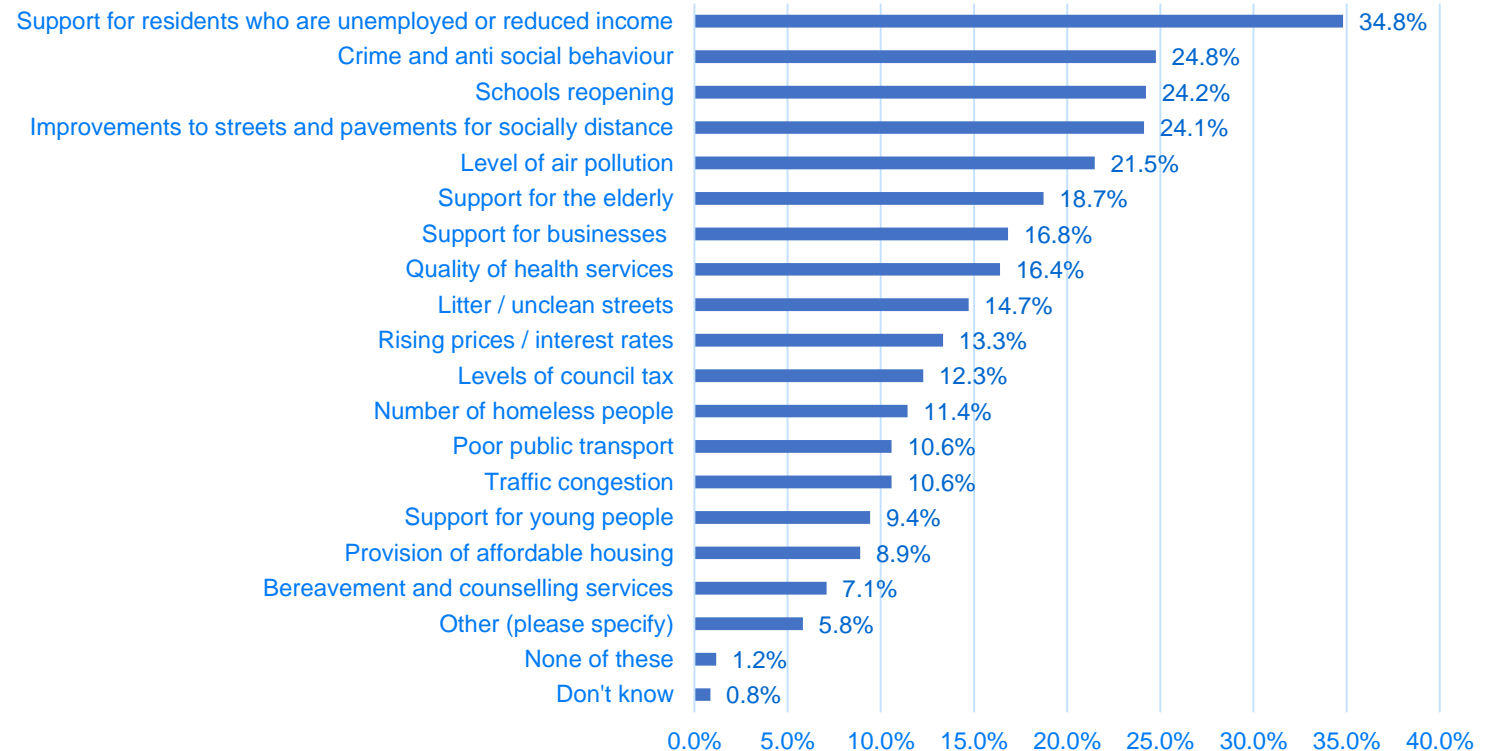
In the LBTH Covid Resident Survey:

46% of respondents said the pandemic has had a positive impact on relationships with the neighbours, compared to 11% reporting a negative impact.

43% of respondents said the pandemic has had a positive impact on feelings of belonging to a local community, compared to 18% reporting a negative impact.

13% of respondents say they have started or are doing more volunteer work since the pandemic started.

Now that we are starting to move out of the lockdown restrictions, which of the following are your top three concerns?





Community cohesion & involvement - 1/2



Next 12 months

Longer term

- Availability of volunteers reduces as lockdown eases & more return to work
- Some community cohesion undermined if lockdown causes increase in conflict between neighbours
- Adherence to social distancing rules ongoing cause of community friction
- Community tension arising from Covid highlighting existing inequalities

- Some studies suggest economic downturn increases the risk of 'scapegoating'
- Reduced opportunity for different communities to come together in public events undermines work to promote community cohesion
- Community tension arising from Covid exacerbating existing inequalities

- Opportunity to further galvanise & act on increased 'community spirit'
- Mutual aid groups could outlast the pandemic / respond to non-Covid emergencies
- Potential for stronger levels and/or feelings of community cohesion arising from this - further strengthened via positive perceptions of diverse health & care workforce
- Early studies on mental health & on carers during Covid both point to staying connected a 'sense of community' / people 'helping each other out' as beneficial to wellbeing - opportunity to utilise this to help combat negative impact of pandemic on mental wellbeing
- Community activism starts to reduce inequalities

- Opportunity for volunteers to support the charity sector, counterbalancing some of the potential negative impact of economic downturn
- Community activism tackles long-standing inequalities



Council Workforce 1/2



- A number of councils in England have reported deaths in service
- PHE report found those working in social care had higher Covid death rates
- Staff absence/availability an issue due to sickness, self-isolation & childcare
- Some councils furloughed staff due to services stopping, funding stopping, or staff shielding. More report recruiting additional staff
- Many services operating in a different way. Face-to-face services largely remodelled. 'New' pandemic services now in councils: PPE, testing, shielding
- Some staff redeployed to support new or disrupted services
- Significant numbers of staff likely to now be working from home
- Higher incidence of trauma, burn out, stress & anxiety seen in health care staff in previous pandemics. Can apply to frontline staff in Covid response.

LGA Covid Workforce Survey carried out w/e 1st May found that of the councils responding:

- 7% of the workforce unavailable for work. 70% from Covid
- 3% of the current workforce redeployed
- 16% report furloughing at least 1 staff member
- 76% recruited additional staff
- 19% reported having less PPE than needed
- Third & fifth of councils respectively report moderate disruption to running of adult & children's services.

- In April, 53% of LBTH staff sickness was due to Covid
- On 1st April, 5.9% of the workforce was off sick
- The average number of sickness absence days (on a given working day) in March was 144 days lost, 159 days lost in April and 127 days lost in May

LBTH Staff Survey carried out 20th April to 1st May found that of the 1582 staff responding:

- 87% felt connected to their team
- 87% felt they were doing meaningful work
- 72% agreed their mental health was good (8.4% disagreed)

- LBTH staff sickness absence rose steeply from 19th March, peaked on 1st April, declined between 6th April and 24th April then stabilised to the end of May
- A number of staff were redeployed into different roles to respond to Covid
- The experience of staff will vary depending on personal circumstances & the impact of Covid on particular services
- More staff are working from home. Likely that the proportion of staff living in small spaces ill equipped for home working is higher than national average
- Although there is no pre-Covid direct comparator, an LBTH survey carried out 20th April-1st May shows a high number of staff reporting good mental health, feeling connected to their team & feeling that doing meaningful work.
- **Women** made up 63% of the workforce in 2019. 72% of employees in the lowest quartile of earnings for the council were women.
- **BAME** employees made up 56% of the workforce in 2019. 65% of employees in the lowest quartile of earnings for the council were BAME





Council Workforce - 2/2

Next 12 months

- Impact of Covid on staff wellbeing mirrors wider trends described here
- Impact on frontline/key worker staff working on pandemic response significant (PTSD, burnout, anxiety) & some will need support
- Sporadic increase in staff absence if future outbreaks or peaks
- Productivity impacted by the above & childcare commitments
- Continuation of pandemic response impacts BAU & is likely to fluctuate as restrictions are eased / re-imposed if future peaks
- More staff working from home than pre-Covid = subsequent health & safety issues to think through
- Financial challenges facing councils will impact on workforce & services

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- Opportunity to recruit to hard-to-fill roles as a result of both raised profile (Proud to Care campaign in social care) & as result of changes in wider job market
- Opportunity to build on & galvanise staff sense of common purpose & team work
- 'Post traumatic growth': Values & self-worth positively affected through contributions made in challenging circumstances


Longer term



- Skills mix of the workforce could change
- Financial pressures on the council will have subsequent impacts on staff
- Potentially smaller pool of applicants for jobs arising from reduction migration & movement (within the UK & internationally)

- Opportunity to capitalise on resident growing familiarity with channel shift: Less face-to-face service provision, more digital (with an awareness of 'digital divide')
- Long-term changes to how people work - more working from home & flexible working. Potentially less office space
- Opportunity to improve recruitment & retention on a longer-term basis, arising from changing jobs market, & linked to any raised profile of adult social care & any funding solution



<p style="text-align: center;">Cabinet</p> <p style="text-align: center;">29 July 2020</p>	 <p style="text-align: center;">TOWER HAMLETS</p>
<p>Report of: Will Tuckley, Chief Executive</p>	<p>Classification: Unrestricted</p>
<p>Refreshed Strategic Plan 2020-23</p>	

Lead Member	Executive Mayor
Originating Officer(s)	Adam Boey, Senior Strategy and Policy Manager Afazul Hoque, Head of Corporate Strategy & Policy Thorsten Dreyer, Head of Intelligence & Performance
Wards affected	All wards
Key Decision?	No
Forward Plan Notice Published	June 2020
Reason for Key Decision	N/A
Strategic Plan Priority / Outcome	All

Executive Summary

This report presents the council's refreshed Strategic Plan 2020-23 and sets out the council's three core priorities and the action we will take to achieve eleven core outcomes between now and 2023.

The Strategic Plan has been reviewed in light of the COVID-19 pandemic and the impact this has had in almost every area of people's lives. It sets out how the council will address both challenges and opportunities identified in the 'Understanding the Impact of COVID-19 in Tower Hamlets' report. As a result, some of the actions in the Strategic Plan have been re-prioritised and others have been reshaped.

Running through the Strategic Plan is a recognition that we need to do things differently in order to meet the financial challenges we are facing as a council. To help address both this and the impact of COVID-19, we will need to work ever-closer with partners and with residents. We know from the response to the pandemic that much can be achieved here, and we will continue to build on this as we go forward.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Approve the refreshed Strategic Plan for 2020-23 (Appendix 1), including:

- a. renewed actions that ensure delivery of outcomes for ongoing response to COVID-19 and recovery plans; and
- b. revised measures that allow an understanding of impact (Appendix 2).

1. REASONS FOR THE DECISION

- 1.1 The 2020-23 Strategic Plan was agreed by the Mayor on 25 March 2020, after the UK was placed in lockdown by the government in response to the coronavirus pandemic. This report follows previous reports to Cabinet setting out the Council's response to the pandemic and our approach to recovery. The pandemic has meant the Council had to reprioritise and reshape se quickly and do whatever it takes to respond to the needs of our local residents and stakeholders.
- 1.2 It has been refreshed in light of the far-reaching impact of the pandemic, as identified in the 'Understanding the Impact of COVID-19 in Tower Hamlets' report. It also considers the financial impact on the council both from loss of income and expenditure to support our local response to the pandemic. It considers feedback from local people through the COVID-19 resident survey ensuring their priorities are reflected in the plan.

2. ALTERNATIVE OPTIONS

- 2.1 The Strategic Plan could remain as agreed in March 2020. This means the council's planned activities would not be reflective of the impact of the COVID-19 (both pandemic and subsequent lockdown in response) on Tower Hamlets residents and communities, or the necessary recovery efforts in place, and planned.
- 2.2 The Mayor and Cabinet may choose to further amend the Strategic Plan. If the Plan is amended, regard would need to be given to the council's Medium Term Financial Strategy, as well as any impact arising from the changes.

3. DETAILS OF REPORT

- 3.1 The Strategic Plan remains arranged around three priority areas and a set of 11 corporate outcomes:

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

1. People access a range of education, training, and employment opportunities.
2. Children and young people are protected so they get the best start in life and can realise their potential.
3. People access joined-up services when they need them and feel healthier and more independent.

4. Residents feel they fairly share the benefits from growth and inequality is tackled.

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

5. People live in a borough that is clean and green.
6. People live in good quality affordable homes and well-designed neighbourhoods.
7. People feel safer in their neighbourhoods and anti-social behaviour is tackled.
8. 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

9. People say we are open and transparent putting residents at the heart of everything we do.
10. People say we work together across boundaries in a strong and effective partnership to achieve the best outcomes for our residents.
11. People say we continuously seek innovation and strive for excellence to embed a culture of sustainable improvement.

- 3.2 In March 2020, Cabinet adopted a revised Strategic Plan for 2020-23. It is a central part of the council's Performance Management and Accountability Framework and is the main strategic business planning document of the council. It sets out the corporate priorities and outcomes, the actions that will be undertaken to deliver the outcomes, as well as the measures that will help us determine whether we are achieving the outcomes.
- 3.3 Undoubtedly, COVID-19 is the most significant issue our residents have faced in recent years. It has impacted on every aspect of our everyday lives and as of 24th June, 280 local residents and staff had sadly died. In light of COVID-19 the Strategic Plan has been refreshed to ensure our high level actions reflect our on-going response to the pandemic and support the borough's social and economic recovery. Alongside this refreshed Strategic Plan we have also updated our Medium Term Financial Strategy (separate agenda item on Cabinet agenda) to ensure our budget can support delivery of our priorities and address the financial challenges facing the council. This will be supported by a revised Communication Plan, Transformation Programme and a Workforce and Wellbeing Strategy. Through on-going engagement with our partners we will refocus our priorities to ensure we can collectively support the recovery of the borough and empower our partners to take a greater lead on delivering our collective priorities.
- 3.4 The impact of the pandemic and 'lockdown' has been felt across the board. We know that financial hardship, and the impact on employment, deprivation,

mental health, social care, homelessness, education and domestic abuse will continue to be felt going forward (see separate Cabinet report on 'Understanding the impact of COVID-19 in Tower Hamlets'). Overall, the pandemic has shone a light on existing inequalities, and we are committed to tackling this.

- 3.5 There are opportunities too: To maintain the progress made in tackling rough sleeping, for example, and to provide more opportunities for walking and cycling. The response from residents and from partner agencies and organisations to the pandemic is something to be immensely proud of, and we want to continue this work going forward. This is reflected in the positive feedback in our residents' survey with many highlighting a sense of belonging and improved relationship with neighbours.
- 3.6 The revised Strategic Plan places the social and economic recovery of the borough at the core of our priorities and outcomes. The plan sets out the actions we will carry out to meet local priorities. Some of these actions have been re-shaped by the pandemic, whilst others have been reinforced. We will need to be flexible and adapt to a changing environment due to the on-going pandemic and national and regional changes.
- 3.7 The pandemic has exacerbated existing challenges and inequalities and alongside the national recovery strategy, the Government will be moving forward the Social Care agenda and has announced a new cross-governmental commission on racial inequalities.
- 3.8 We believe that we can deliver better outcomes for residents by using the opportunities from new ways of working, efficiency and effectiveness learnt through our emergency response.
- 3.9 The pandemic has required us to work differently to adapt and meet the needs of our community. We have rapidly developed new ways of delivering essential services and moving out of lockdown we will consider how some of the new ways of working can be made permanent, to accelerate progress towards our transformation vision, meet the needs of our community, and respond to the challenging financial position.
- 3.10 We know the council alone cannot deliver the recovery of the borough and we will work with partners and residents to deliver this. This includes focusing on areas such as employment, health inequalities, poverty, local economy and understating and responding to the longer-term impact of the pandemic. We will build on the unprecedented response of our residents through formal volunteering with us and local voluntary and community sector organisations and also through local mutual aid groups and ensure we support access to volunteering opportunities especially on national programmes such as test and trace. We will support our voluntary and community sector to continue to support all sections of our community and help sustain a vibrant local sector.

Given the ongoing nature of the pandemic we will need to continue to work with residents and voluntary sector to ensure there is a coordinated response to future outbreaks.

- 3.11 The revised Strategic Plan also considers the significant impact on the council's budget which includes an estimated funding shortfall of £35.72m for April, May, and June 2020- equivalent to an additional £108 per resident. The funding shortfall is a combination of increased spending and loss of income - which has led to an estimated net additional spending of £55.12 million, with the government, so far, only committing to provide just £19.4 million from its COVID-19 support grant. Just like businesses and households across the country, who may be worried about how they will now pay their bills, we are not immune to the financial impact of COVID-19. We are therefore calling on the government to deliver on its "whatever it takes" pledge to cover the cost of our response. As part of the recovery we will consider how we become more efficient and areas of services that we are no longer able to continue to deliver or deliver in a more economical way.
- 3.12 We have also recently carried out a residents' COVID-19 impact survey and priorities from this will be reflected in the delivery of the Strategic Plan. In June, Cabinet noted the council's approach to the recovery of the council and the borough will follow these principles:
- We will ensure a safe transition out of lockdown, with a balanced approach to risk and recovery to ensure continued safety of our staff and community, whilst supporting the social, economic and health recovery of the borough
 - We will maintain a coordinated, multi-agency approach
 - Council services, democratic processes, and priorities will be updated as we reconstitute them to improve outcomes for the community
 - Transformation, change and value for money will be embedded
 - Budget implications will be managed and our income rebuilt
 - The effort and commitment of staff and community during the pandemic will be recognised
 - We will support the healing process
 - Learning from our experiences during the pandemic will inform our future work
 - There will be consistent and timely communication across the council and its partners
- 3.13 Our renewed Strategic Plan recognises the new journey the borough will be undertaking in recovering from the pandemic and reflects our priorities.

Next steps

- 3.14 The revised Strategic Plan for 2020-23 sets out our plans until March 2021 and will be used for business planning and performance management by revising service plans by September 2020. We will undertake a light touch

review of the Strategic Plan and Service Plans from March 2021 to ensure we capture changes to national, regional and local priorities.

- 3.15 Prior to adopting the Strategic Plan in March 2020, all key performance indicators were reviewed with outcome delivery teams and services. At the time of adopting our new outcome-based indicator set, we recognised that some indicators would be proxy indicators until more suitable indicators could be identified. We also recognised that some indicators were new and untested and may need to be refined following a period of bedding in. Throughout the year several suggestions were also received from officers and members (Executive and Overview and Scrutiny Committee) for additional or replacement measures. This review led to a revised indicator set included in the plan adopted in March 2020.
- 3.16 As part of the refresh of the Strategic Plan considering the pandemic, the indicators have again been reviewed, ensuring they remain relevant and reflect the changed environment in which we now operate (Appendix 2). The review has resulted in some minor amendments to the strategic outcome indicators, reflecting that the outcomes in the Strategic Plan remain unchanged. The strategic indicators assess the extent to which we are achieving our outcomes rather than measuring specific activities.
- 3.17 We recognise that alongside our more long-term strategic outcome indicators, there is a need to take a data driven approach to responding to the recovery in the short and medium term. The operational and tactical nature of the recovery means that we will be taking a more flexible approach to the data that inform and help us monitor our recovery. Our COVID-19 specific data and metrics will be used operationally by our pandemic and recovery command groups.
- 3.18 From 2020/21 we had intended to report progress on the delivery of our strategic plan actions and performance of our strategic indicators to our Cabinet for the first three quarters of the financial year and then produce an annual report at year end. Because of the pandemic, in the current year, we will not be producing a report on the first quarter. Instead, in June Cabinet received a report on the council's pandemic response. Our first quarterly performance report for 2020/21 will be for the second quarter and will report on this revised Strategic Plan.

3 EQUALITIES IMPLICATIONS

- 4.1 The revised Strategic Plan has been informed by the COVID-19 Equalities Impact Assessment and the overall impact assessment of COVID-19 and Tower Hamlets. A key focus on inequality is present throughout the outcomes in the plan.

- 4.2 One of the main messages arising from the analysis of the impact of COVID-19 on Tower Hamlets is that whilst the virus may have shone a light on existing inequalities, there is a real risk these will be further exacerbated going forward. People from Black, Asian and minority ethnic (BAME) backgrounds, older people, young people, women, people with a disability and people from lower socio-economic groups have been highlighted as being particularly affected by the direct and/or indirect consequences of the pandemic. The Strategic Plan seeks to tackle these inequalities, setting out the high-level action that the council will take with partners and with residents.
- 4.3 The Plan also includes the council's obligation to publish an annual equality objective as defined by the Public Sector Equality Duty.

4 COMMENTS OF THE CHIEF FINANCE OFFICER

- 5.1 The Strategic Plan 2020-23 is a core planning document and provides a framework for allocating and directing financial resources to priorities over the next three years.
- 5.2 In the event that, during the implementation of individual projects and schemes, financial implications arise outside the current budget provision, officers are obliged to seek the appropriate financial approval before further financial commitments are made. This report has no other financial implications.

5 LEGAL COMMENTS

- 6.1 The Strategic Plan specifies how the council will prioritise delivery of its functions and thus ranges across the council's statutory powers and duties. The proposed priorities are capable of being carried out lawfully and it will be for officers to ensure that this is the case.
- 6.2 Section 3 of the Local Government Act 1999 requires best value authorities, including the council, to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness". The development of a Strategic Plan, together with its delivery and subsequent monitoring will contribute to the way in which the best value duty can be fulfilled. Monitoring reports to members and actions arising from those reports will help to demonstrate that the council has undertaken activity to satisfy the statutory duty.
- 6.3 In all aspects of the strategy there are clear implications for persons who have a protected characteristic for the purposes of the Equality Act 2010. Therefore, not only should an Equality Assessment occur (and potentially a number of them as parts of the strategy are implemented) but a clear strategy on an equalities consultation may be necessary whilst some of the decisions relating to the actions under the strategy are still at a formative stage. This is to ensure that the council informs itself properly of the effects of the decisions

on such persons. It will then be in a position to properly comply with the Equality Duties under that act.

Linked Reports, Appendices and Background Documents

Linked Report

- NONE

Appendices

- Appendix 1. Draft renewed Strategic Plan 2020-23.
- Appendix 2. List of Strategic Measures

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

- NONE

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Tower Hamlets Strategic Plan 2020-2023 – DRAFT

Working together with the community for a fairer, cleaner and safer borough

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Priority 3

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Introduction

The Strategic Plan is a central part of the council's Performance Management and Accountability Framework and is the main strategic business planning document of the council. It sets out the corporate priorities and outcomes, the high level activities that will be undertaken to deliver the outcomes, as well as the measures that will help us determine whether we are achieving the outcomes. In line with the budget setting process, the Strategic Plan is a rolling three-year plan which is updated annually so that it accurately reflects the council's priorities.

We remain committed to ensuring Tower Hamlets is a fairer, cleaner and safer place to live for all our residents. We recognise COVID-19 pandemic has had a profound impact on everyone's everyday lives from work, school, health, to the way we interact with each other. Sadly, many people lost their lives because of the pandemic including those living and working in the borough. Our thoughts are with their families.

The pandemic has exposed existing inequalities and we know some of our most vulnerable residents who use our social care services will need more support as a result. Many people will experience financial hardship, and the impact on employment, deprivation, mental health, education, and domestic abuse will continue to be felt by our residents going forward.

Studies have highlighted a disproportionate impact of COVID-19 on the Black, Asian and minority ethnic (BAME) population which has served to expose the consequences of the structural disadvantage and discrimination faced by BAME communities. Also, the public death of George Floyd, and subsequent Black Lives Matters demonstrations, has brought race to the forefront of an international conversation.

We remain committed to tackling inequality putting our residents at the heart of everything we do. We want to understand the lived experience of our Black, Asian and Minority Ethnic communities so that with our partners we can act. That is why we are establishing a commission to explore the inequality experienced by our Black, Asian and Minority Ethnic communities that will recommend practical interventions.

From our Annual Residents' Survey we know that the elderly, disabled, and those from lower-income households are more likely to have reduced or no internet access compared to the wider population. We also know that there are digital skills disparities across the borough. We will prioritise digital inclusion across the borough, and work with partners to improve digital access and skills for both residents and VCS organisations.

During this difficult time there have been opportunities which we would be keen to hold onto. We would like to maintain the progress made in tackling rough sleeping; and continue to promote healthier lifestyles especially more walking and cycling. Our communities have really rallied round each other and

worked with organisations across the borough, getting involved in the pandemic response in a variety of ways. More than 2000 residents volunteered to support people especially those who were isolating as well as local organisations delivering food, fundraising and befriending. This is something to be immensely proud of, and we want to continue this work going forward.

The pandemic has required us to work differently to adapt and meet the needs of our community, and we have rapidly developed new ways of delivering essential services. As part of our recovery journey we will need to consider how some of the new ways of working can be made permanent, to accelerate progress towards our vision, meet the needs of our community, and respond to the difficult financial position.

We are committed to delivering better outcomes for residents by using the opportunities from new ways of working, efficiency and effectiveness learnt through our emergency response. This Strategic Plan sets out the actions we will carry out to meet local priorities. Some of these actions have been re-shaped by the pandemic, whilst others have been reinforced. Alongside this refreshed Strategic Plan, we have updated our Medium Term Financial Strategy to ensure our budget can support delivery of our priorities and address the significant financial challenges facing the council.

The pandemic has compounded our financial challenges. The economic impact has reduced the amount of income that the council receives from business rates and council tax in 2020-21 and the forecast income for following years. The council has also experienced costs for the pandemic response, a decrease in income from fees and charges and slippage in previously planned savings. The government has announced grant funding of £22m towards costs and a contribution towards about 70% of reduced fees and charges income. The announcement of potential funding to support decreases in business rates and council tax income is awaited as part of the Chancellor's autumn statement. Just like businesses and households across the country, who may be worried about how they will now pay their bills, we are not immune to the financial impact of COVID-19.

We are calling on the government to deliver on its “whatever it takes” pledge to cover the cost of our response and the long term economic impact on income.

We welcome recent government spending announcements on recovery, including support for business, training, skills and the green economy. We will do all that we can to ensure we adopt these to ensure our residents can benefit as part of our recovery. However, we must be clear with our residents that should the government decide to go back on its pledge, the council will be forced into a position of having to make really difficult decisions about our

services. We are not complacent and continue to fight for our fair share of government funding to protect the essential services that residents need.

Our renewed Strategic Plan recognises the new journey the borough will be undertaking in recovering from the pandemic and reflects our priorities.

Our priorities and outcomes

The Strategic Plan is the main strategic business planning document of the council and central part of our Performance Management and Accountability Framework.

The council is looking to deliver the following priorities and outcomes over the next three years:

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

1. People access a range of education, training, and employment opportunities.
2. Children and young people are protected so they get the best start in life and can realise their potential.
3. People access joined-up services when they need them and feel healthier and more independent.
4. Residents feel they fairly share the benefits from growth and inequality is tackled.

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

5. People live in a borough that is clean and green.
6. People live in good quality affordable homes and well-designed neighbourhoods.
7. People feel safer in their neighbourhoods and anti-social behaviour is tackled.
8. 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

9. People say we are open and transparent putting residents at the heart of everything we do.
10. People say we work together across boundaries in a strong and effective partnership to achieve the best outcomes for our residents.
11. People say we continuously seek innovation and strive for excellence to embed a culture of sustainable improvement.

The plan is a key link in the 'Golden Thread' and used to inform directorate, service and team planning. It also sets out how the council will deliver the objective and priorities set out in the new Tower Hamlets Plan developed by the Tower Hamlets Strategic Partnership.

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

Tower Hamlets is one of the most vibrant and diverse communities in the UK. More than two-thirds of the borough's population belong to a minority ethnic group – we are the 16th most ethnically diverse local authority in England. Over the past three decades our population has more than doubled and we are still growing: the population recently broke through the 300,000 mark and is projected to be over 380,000 by 2030. We are also a young borough – nearly half of our residents are aged 20-39.

COVID-19 has shone a light on the health, social and economic inequalities that exist in the borough. Our health and social care system, working with communities has played and continues to play a critical role in responding to the pandemic and is now moving to restore support to communities for non-COVID-19 issues, and looking to build on the public attention on health matters to promote public health improvement.

Restoring the quality and consistency of education provision is now a major focus at national and local level. The challenge going forward will be to provide the safest possible environments for education and learning in the borough. Some people have experienced unemployment for the first time in their lives. This has necessitated an unprecedented level of financial and direct support from both national and local governments, as well as support from the voluntary and community sector organisations and private businesses, small and large. The council will be maintaining focus on economic recovery – for individuals and communities – in the short to medium term, dovetailing economic renewal with national policy.

This priority provides a focus for our efforts to ensure that our residents can achieve their aspirations and gain from the benefits of living in a borough that is economically vibrant, resilient and diverse.

There are four overarching outcomes under Priority 1 that the council's actions for the coming year are focussed on achieving and these are described in more detail in the section that follows.

Outcome 1: People access a range of education, training, and employment opportunities.

Outstanding education and economic opportunity support people to thrive in our changing and challenging environment. We want to ensure that every child and young person in Tower Hamlets has every chance to have the best possible opportunities and achieve the best possible outcomes and life chances. We want every young person to achieve the best academic results they can, be prepared for employment and future success. Our schools achieve good results, and in some cases above national averages. However, there is still room for improvement, and through the Tower Hamlets Education Partnership, our schools operate as a family to support, challenge and encourage each other in their determination to do the very best for every child.

From our COVID-19 resident impact survey we know that schools reopening was one of respondents' top four concerns (24%) and the months of missed education caused by the pandemic will have severely impacted on our children and young people and set back the huge progress our schools have made. As schools reopen, we will need to work even harder to support them appropriately and ensure that the impact of this gap in education is addressed and mitigated. Our Young WorkPath service will continue to ensure that young people and those coming into the workforce have the support they need to make informed choices about their career path and access the skills, training and apprenticeships available to unlock their potential.

The COVID-19 resident impact survey shows more than 50% of residents identified there has been a negative impact (extremely negative or fairly negatively) on their employment status and work, and respondents named support for residents who are unemployed or reduced in income (35%) as their top concern. Many residents will be newly unemployed, in addition to those who were already looking for work and placed further away from the labour market. As the supply of jobs reduces labour market competition could push some residents even further away from accessing employment including those with limited skills or experience including young people who were looking to enter the workforce.

Supported by our Growth and Economic Development Partnership, we will continue our efforts to reach out to local businesses to understand their concerns around the impact of the pandemic and assist in their recovery. We have already responded through support and financial assistance including grants and rent reductions. A package of support will nevertheless continue, to help businesses in their recovery journey. Similarly, we will remain flexible in working with partners to provide employment and skills support for those residents, including young people and particularly those facing a prolonged period of unemployment. We will support access to roles in hard to fill sectors or those areas where job supply will grow or remain strong, for example the green economy which will support our objectives to mitigate climate change. In addressing the economic impact of the pandemic on our borough we will continue to deliver the priorities held within our Growth and Economic Development Plan which seek to support the foundation of economic prosperity within the borough.

What actions will we take?

1. Support schools' activity to improve attainment and address gaps in education
2. Provide access to entry point learning which promote personal development
3. Develop a programme to enhance young people's understanding of the world of work, including any changes to the landscape post COVID-19 lockdown
4. Understand the impact of the pandemic on the London labour market and progress a borough response
5. Provide tailored support for job seekers, in particular those with sustained periods of unemployment

6. Implement a programme of business outreach to extend our network and enhance our understanding of the impact of the crisis
7. Deliver a range of targeted interventions to support the recovery and growth of local businesses

What will we measure?

- Percentage of secondary pupils attending school regularly
- Percentage of Idea Store Learning learners who pass their course
- Percentage of 16-17 year olds in education, employment or training
- Number of SMEs and new enterprises supported through the council's business programmes
- Number of adults supported into employment by the Workpath service

Outcome 2: Children and young people are protected so they get the best start in life and can realise their potential

Children and young people are a priority for this council, and we know that the first 1,001 days of a child's life are crucial for healthy mental and physical development. We therefore remain committed to a system wide approach to improving outcomes for children in the early years with a focus on speech, language and communication skills. From the earliest years through to adolescence, children also need access to safe spaces to play and engage in physical activity. As a result of the COVID-19 pandemic, access to some of these safe spaces has been limited and may be for some time.

We know that the pandemic is likely to have impacted significantly on children and young people in the borough and that this impact is likely to be felt for a long time. Some children will have been in particularly vulnerable situations during the lockdown and we are expecting a rise in demand for our services over the summer and autumn. The longer-term impacts of potentially higher rates of poverty, less secure housing and work are all likely to lead to higher levels of stress for families and an increased demand in services across the council and partner agencies.

The response to COVID-19 has enabled strong and effective partnership working in this area and we want to take the elements that have worked well with us into the future. We will support our children, young people and families to make informed choices about what good health entails, directing them towards the right support at the right time to address any concerns about both physical and mental health. We will continue to work to remove the stigma around mental health, encouraging children, young people and their families to talk to each other and share their needs.

We also want to ensure that there is a much stronger voice for young people in relation to making their environment feel safe, the development of youth services and in response to community safety issues. Our focus going forward will be on building resilience within families and between different communities to ensure that children are safe and secure.

What actions will we take?

1. Ensure that our early help and social care staff have access to training and development opportunities that are linked to the practice issues that are our most important and of greatest priority. This will enable us to respond to the immediate and longer-term challenges of our community
2. Coordinate our partnership response to the pandemic and other safeguarding issues via the Tower Hamlets Safeguarding Children Partnership ensuring the voice of children and families influences and shapes our approach
3. Create and map clear pathways into early help from social care and other universal services; and to develop consistent understanding of thresholds across services and agencies
4. Establish clearer information and agreed expectations for families to access health services such as CAMHS and SEND services
5. Continue to offer Family Group Conferencing to families in need at the earliest stage. This is an important element of being able to reduce the demand on expensive placements and emphasise family solutions
6. Further strengthen the ways that we collect feedback from children, young people, families and the wider community and use this to influence how we deliver our services. Embrace and develop innovative ways of reaching parents and young people by improving the use of social media and other online mechanisms
7. Engage with Schools, the Youth Service and the Voluntary Sector on how to strengthen access to high-quality activities outside of school for children and young people making the best use of our partnership approach
8. Continue to focus on our most pressing issues - neglect, domestic abuse serious youth violence and exploitation

What will we measure?

- Families who are seeing the benefits of being supported before problems escalate
- Percentage of pupils who are regularly attending primary school in reception year
- Percentage of pupils who are regularly attending primary school in Years 1-6
- Long term looked after children who are in stable placements
- Young people engaging with the youth offer who achieve a recorded outcome

Outcome 3: People access joined-up services when they need them and feel healthier and more independent

The quality of our lives is strongly dictated by the state of our health, which is in turn shaped by our genetics, lifestyles, living environment and access to quality health care. While Tower Hamlets is a great place to live, there remain challenges in relation to health and wellbeing and the 'wider determinants' of good health. Compared to other places, we tend to have higher rates of diabetes, mental health issues and substance misuse.

We know that people of a BAME background, older people and people living in poverty are more likely to die of COVID-19, and the pandemic has starkly demonstrated the consequences of inequality. In addition, it has had wider impacts on health and wellbeing. Many people have experienced stress and anxiety and we expect there to be an increase in people needing support with their mental health as a result. Our COVID-19 resident impact survey identified more than 50% of residents reported that the pandemic had a negative impact (extremely negative or fairly negatively) on stress and anxiety, their mental health, feelings of loneliness and their exercise route. At the same time, the social care system faces growing system and financial pressures which means we must make significant changes to what we do.

Public health and social care have been on the 'front line' of the pandemic, working with NHS partners through the borough's health and care partnership, Tower Hamlets Together (THT), to minimise infections, flex services in response to changing demands and ensure people get the support they need. Going forward, we will build on what worked well during the pandemic and continue to do everything we can to stop the spread of infection, support people with their physical and mental health, and empower people to be as independent as possible. Ongoing partnership work will enable us to address some of the financial challenges we face whilst maintaining our commitment to provide high quality, joined-up services.

What actions will we take?

1. Continue to address health inequalities including actions to mitigate the disproportionate impact of COVID-19 on different groups and communities
2. Continue to provide public health & social care support to the COVID-19 pandemic response, including the roll-out of an effective Test and Trace system and support for residents who are 'shielding' due to their vulnerability
3. Run activities and programmes that encourage residents to have healthy lifestyles
4. Provide evidence-based early intervention and prevention, helping residents to be as healthy as possible for as long as possible and recognising health inequalities including those relating to ethnicity and economic circumstances
5. Continue to integrate health and care (including joining up our IT systems) so that residents get a better, more joined up experience, retaining and developing sustainable service innovations that have emerged during the COVID-19 pandemic
6. Join up the health and care information provided to residents, making it easier to get advice and help at an early stage, including COVID-19 advice and guidance
7. Make better use of technology in health and care, recognising its potential to improve how people manage their health conditions and care needs, stay independent and enable socially distanced service delivery

8. Understand and address the wider impacts of COVID-19 on Tower Hamlets residents, including mental health, and the impact on services - specifically looking to mitigate the disproportionate impact on those from BAME groups in the borough
9. Address the financial pressures faced by adult social care to ensure our care and support system is sustainable going forward.

What will we measure?

- People who are more independent after being supported through reablement services
- Residents' self-reported level of physical activity
- Residents' self-reported level of health

Outcome 4: Residents feel they fairly share the benefits from growth and inequality is tackled

While we want people to have positive associations about life in Tower Hamlets, we cannot deny that Tower Hamlets is a borough of contradictions. Despite the economic opportunities in our borough, many in our community do not benefit from them. The borough is the fiftieth most deprived local authority in England – with lessening deprivation on almost all measures relative to other parts of England. However, child and older people deprivation remains the highest in England. The employment rate of residents is below the national average and some people in our communities find it more difficult to find work than others. The borough is tackling some of the toughest health inequalities in the UK caused by deprivation and related housing and employment needs. We strive to achieve a borough where inequalities are reduced, and socio-economic challenges are less prevalent, many of which COVID-19 has exacerbated. Alongside this the death of George Floyd, and subsequent Black Lives Matters demonstrations, has brought race to the forefront of an international conversation. The disproportionate impact of COVID-19 on the Black, Asian and minority ethnic (BAME) population has served to expose the severe consequences of the structural disadvantages and discrimination faced by BAME communities. We will challenge this status quo and are establishing a BAME Inequality Commission which will deliver tangible and practical actions with partners to address this.

The pandemic has already instigated a rise in the number of residents using food banks, accessing welfare and debt advice, claiming universal credit and further isolating residents who are digitally excluded. The post-pandemic economic landscape is also likely to see the levels of unemployment, deprivation and poverty (including child poverty) increase further. Our COVID-19 resident impact survey identified that 86% of respondents who were worried about the impact of COVID-19 on their life said they had a health problem or disability. 17% of respondents have had a detrimental change in circumstances (become unemployed, furloughed or reduced hours). Looking at this group White British respondents are underrepresented at 40%, while White Other (34%) and BAME (exc. Bangladeshi) (39%) respondents are overrepresented. 13% were Bangladeshi. Looking at the age profile of the same group, 38% of respondents are aged 35-44 and 27% are aged 25-34 –

higher than the overall % of overall survey respondents who fall into these age categories.

While the pandemic has caused a marked increase in the intensity of support required it has also provided opportunities in how the council can work with partners and the wider community to support the most vulnerable. We are committed to extend our work with partners to ensure the needs of the most vulnerable are met against a backdrop of reduced funding across the public and voluntary sector. We will continue to work with partners to deliver our tackling poverty programme, explore ways to reduce digital exclusion and are keen to maintain the gains achieved in working with partners to reduce rough sleeping during the pandemic.

What actions will we take?

1. Work with stakeholders to deliver a BAME Inequality Commission recognising the disproportionate impact of COVID-19 on BAME communities and understand the lived experience of our BAME communities and how the borough can address inequality
2. Explore options on the borough's approach to tackle poverty and address the additional impact of the pandemic in the borough
3. Support residents to access high quality welfare advice and reduce barriers to digital inclusion
4. Deliver initiatives to meet the additional impact of the pandemic on homelessness and rough sleeping within the borough
5. Develop a new Health and Wellbeing Strategy, working in partnership with communities to tackle health inequalities exacerbated by COVID-19
6. Utilise social value benefits derived from procurement activity to address the economic, community and environmental impact of COVID-19 on residents and the Voluntary and Community Sector (VCS)
7. Review and improve the local childcare offer

What will we measure?

- Residents' self-reported level of health for groups experiencing health inequalities - BAME residents
- Residents' self-reported level of health for groups experiencing health inequalities - residents from C2, D, E socio-economic groups
- Number of women supported into employment by the Workpath service
- Number of residents from BAME backgrounds supported into employment by the Workpath service
- Number of residents who have disabilities supported into employment by the Workpath service
- Number of residents who come from deprived postcodes supported into employment by the Workpath service
- Households prevented from becoming homeless
- Average annual income increase for residents receiving benefit maximisation support
- Resident Universal Credit application support

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

Tower Hamlets is one of the most dynamic and exciting places in the country. It is a borough with a rich history; people are proud to be part of this community. Tower Hamlets is also a place of contrasts and contradictions, where a thriving economy co-exists with high levels of poverty, which is likely to further increase as a result of the pandemic. But above all, Tower Hamlets is a place where communities come together and work in partnership to deal with challenges. It is a place of growing opportunity, a place where we can build on the stories of our past, on the great progress we have already made and our many strengths, to ensure that this is a borough where people feel satisfied, inequalities are tackled and where all residents can thrive.

We want Tower Hamlets to be clean and well looked after, where our air quality is better and our streets and estates safer, a fairer place with more access to affordable housing and where more of our residents achieve their potential.

We know that strong and resilient communities are happier and healthier communities, when people look out for each other they benefit in terms of their health and well-being, from their connections with the people around them.

Against a backdrop of reducing public sector resources and increased confidence to report crime, we will focus more on crime prevention and reducing fear of crime. We will also work closely with communities to tackle crime and anti-social behaviour.

We will work together as a community to support greater integration and cohesion, helping to build bridges between different parts of the community, tackling social isolation and contributing to making the borough a safer place.

Voluntary and community sector organisations have played an integral role in the borough's response to COVID-19, with many adapting their services to respond to the needs of the community – the council will continue to work with the sector to engage with communities and support the most vulnerable in recovery.

There are four overarching outcomes under Priority 2 that the council's actions for the coming year are focused on achieving, and these are described in more detail in the section that follows.

Outcome 5: People live in a borough that is clean and green

Managing the impact of growth, traffic congestion, and the levels of waste produced presents a significant challenge in how we limit the impact of a growing population on our environment. We are committed to embracing green recovery and growth, working with stakeholders to embrace more sustainable, environmentally and economically friendly approaches to raise awareness and change behaviour. Tower Hamlets has the fifth highest levels of air pollution in London and around 40% of our residents live in areas that

breach EU and government guidance on safe levels of air pollution. Transport remains the highest emitter of greenhouse gas emissions, however, since the introduction of the COVID-19 lockdown, the borough has seen a noticeable reduction in air pollution from road traffic and it is crucial we build on this gain.

We will work with the local community, GLA, TfL and Government to act to support sustained lower levels of air pollution across the borough. This work will also be supported by the council's Air Quality Action Plan and activities to engage residents and partners across sectors, responding to the climate emergency as we progress to a net zero carbon council (by 2025) and borough (by 2050).

Our COVID-19 resident impact survey highlighted improvements to streets and pavements for social distancing (24%) in their top four concerns. The council will continue to work hard to accommodate and promote more sustainable modes of transport, for business, work and leisure. This includes supporting TfL's Streetspace Plan for COVID-19 recovery, to promote active travel and accelerate delivery of low traffic neighbourhoods, as well as delivering the Liveable Street programme.

We will put the wellbeing of residents, the borough and the planet at the heart of recovery. In doing so, we will support approaches to a circular economy, support ecosystems and enhance biodiversity across the borough. The impact of the pandemic has underlined the importance of accessible public and open space for the health and wellbeing of our residents. This being the case we will continue our programmes to make the local environment more appealing, increasing the cleanliness and quality of parks and public spaces to counteract the detrimental impact of the pandemic on physical and mental health of our residents.

What actions will we take?

1. Implement new arrangements to improve cleansing and the quality of the local environment
2. Deliver initiatives to encourage/enforce waste reduction and recycling amongst residents and businesses
3. Deliver the Liveable Streets programme and target our investment in streets and pavements including initiatives to make it easier for residents and visitors to observe social distancing
4. Deliver initiatives to maintain and improve existing parks and green spaces
5. Deliver the Air Quality Action Plan and initiatives to prevent pre-COVID-19 levels of air quality
6. Promote use of cleaner fuel types amongst residents and businesses
7. Through delivering Tower Hamlets Net Zero Carbon Action Plan tackle emissions from the council's own buildings and vehicles and other corporate emissions
8. Agree and deliver a Biodiversity Action Plan to protect and enhance wildlife across the borough.

What will we measure?

- Level of public realm cleanliness (litter)
- Level of CO2 emissions generated by the council's activities
- Level of household recycling (quarterly audited)
- Primary school pupils benefiting from a school street at their school
- Percentage of population that benefits from liveable streets projects

Outcome 6: People live in good quality affordable homes and well-designed neighbourhoods

Accessing good quality, affordable housing is an ongoing challenge in a borough which has a fast-growing population, low income levels for many households and a fast-growing private rented sector with high private rents and house prices. Pressures on the high demand and limited supply of social housing lead to complex challenges concerning overcrowding, homelessness and rough sleeping, while the expansion of the private sector as a source of housing presents challenges to ensure that this stock is in good condition and well managed.

While Tower Hamlets delivers amongst the largest numbers of housing and affordable housing for local authorities each year, we continue to have stretching housing delivery targets from the GLA and have three designated Opportunity Areas designated to accommodate projected population growth of about 25% by 2031. This level of growth within our borough's 2,157 hectare footprint present significant challenges to ensure the correct social, economic and physical infrastructure is in place to accommodate this growth, that residents have a vital say and role in regeneration and that opportunities that arise from growth are accessible for our residents.

The pandemic has created a range of additional challenges and opportunities concerning the social, economic health and wellbeing of our residents. Through our new Local Plan, emerging development documents and approach to regeneration, we will ensure that the correct social, economic and physical infrastructure is in place to not only meet our challenging targets but support us in our journey to recovery and growth. Our priority remains to ensure that residents have a vital say and role in regeneration and that opportunities that arise from growth are accessible for all those within our community.

The negative impact of the pandemic on income levels within the borough continue to mean that the delivery of genuinely affordable housing continues to be a key area of focus. As a council we are committed to delivering affordable homes in way which maximises value for money and ensures that resident need is better met.

What actions will we take?

1. Work with housing associations and other partners to improve the supply of affordable housing
2. Identify sites for new council homes and commence delivery
3. Implement the Local Plan and produce robust development strategies and policy guidance which underpin the council's recovery ambitions

4. Deliver a borough programme for regeneration which enhances the council's approach to recovery
5. Deliver the council's programme of estate renewal and initiatives to improve housing conditions
6. Negotiate and deliver strategic infrastructure

What will we measure?

- Residents' satisfaction with the area as a place to live
- Level of affordable homes completed
- Homeless households moved into permanent social housing
- Lets to overcrowded households
- Number of affordable homes permitted

Outcome 7: People feel safer in their neighbourhoods and anti-social behaviour is tackled

Tower Hamlets is a vibrant, diverse and exciting place to live, work and visit and we want everyone to feel safe and enjoy all that it has to offer. Crime and ASB has a major impact on residents' sense of wellbeing and tackling the interlinked issues of violence, anti-social behaviour (ASB) and drugs and alcohol is a significant challenge.

The pandemic has resulted in novel trends with unprecedented falls in crime rates across most major categories due to lockdown but increases in ASB reports driven by concern over adherence to social distancing rules and increased provision for complex homeless clients following the 'Everyone In' initiative. Our COVID-19 resident impact survey showed Crime and ASB (25%) is in the top four concerns for respondents.

As lockdown restrictions ease there is a risk that certain crime types like domestic abuse and serious youth violence will surge, and the large number of homeless clients housed in Tower Hamlets by the GLA may turn to rough sleeping in the borough.

The council will make use of all the tools and powers available to it to prevent issues re-emerging and will continue to work closely with the Community Safety Partnership and local residents to take robust enforcement action against perpetrators, whilst also seeking to reduce the harm caused to communities by offering support to victims and safeguarding people at risk of abuse or neglect.

What actions will we take?

1. Deliver a new Community Safety Partnership Plan, collaborating with stakeholders to identify key borough priorities and develop solutions
2. Provide education and awareness-raising to prevent and tackle issues including violence against women and girls, safeguarding and exploitation, including the impact of COVID-19 on domestic abuse
3. Run a new specialist substance misuse project and get more people into treatment programmes, so that more people get the help they need

4. Review the delivery of ASB services with Tower Hamlets Homes to ensure the full range of ASB resources are deployed in the most efficient and effective way
5. Implement an upgrade of the CCTV infrastructure network and utilise the CCTV assets to deter, detect and investigate crime and ASB
6. Hold perpetrators of crime and abuse to account, using the full spectrum of our enforcement powers when needed
7. Provide personalised support for victims, including specialist support to victims of knife crime at the Royal London Hospital

What will we measure?

- Young people entering the youth justice system for the first time
- Residents' concern about crime and anti-social behaviour
- Residents' feeling of safety in their local area
- Drug users (opiate users) successfully completing treatment
- Victims of violence against women and girls who feel safer after engaging with victim support

Outcome 8: People feel they are part of a cohesive and vibrant community

Tower Hamlets is a culturally rich and diverse area which faces unique challenges as it moves from a place of deprivation to become an extension of the Central London economic powerhouse and a vibrant borough in its own right. We are also one of the most vibrant and diverse communities in the UK. Local people are proud of the high levels of community cohesion, and value the rich cultural offer that comes with this mix.

Our COVID-19 resident impact survey told us that the pandemic has a negative impact on loneliness for 52% of people. However, relationships with neighbours and feelings of belonging to the community were areas of positive impact for 46% and 43% respectively (with most others saying that it had no impact). In terms of cohesion, whilst there have been some tensions in relation to neighbours and social distancing, there has been a general sense of coming together.

Our voluntary and community sector has been at forefront of response to COVID-19 providing a range of support including food delivery, information and advice, befriending support and reaching out to vulnerable and hard to reach communities. We know they will face challenges going forward, such as remodelling to accommodate social distancing, and we will continue to support and work with them to ensure we maintain a thriving voluntary and community sector in the borough.

There is an opportunity from the pandemic to do more with volunteers and residents feeling more empowered. The rise in Mutual Aid Groups and volunteering (2,000 local people volunteered through our local volunteering hub) has outlasted the initial phase of the pandemic and the number of volunteers remains higher than pre-COVID. While the numbers may decrease as people return to work, it is right we recognise the contributions of volunteers and ensure going forward we are able to build on this goodwill and enable local people to support their community through volunteering.

What actions will we take?

1. Work with stakeholders and communities to tackle emerging tensions and issues within and between communities including those generated by hate crimes or extremism
2. Develop a new Voluntary and Community Sector (VCS) strategy that supports the recovery of the VCS from the pandemic and helps them to mobilise to provide services to the most vulnerable in the community
3. Utilise our assets and services in new socially distanced and safe ways to support the Voluntary and Community Sector, build on the community cohesion brought about by the pandemic and mitigate the impact of the pandemic
4. Build on volunteering during the pandemic, empowering people to be active in their local community, in order to address the impacts of COVID-19
5. Utilise new ways of working to champion our diverse communities in a safe and socially distanced manner

What will we measure?

- Residents' level of volunteering
- Level of hate crime
- Residents' perception of people from different backgrounds getting on well
- Percentage of Idea Store learners who pass their English for Speakers of Other Languages (ESOL) course
- Proportion of residents who have friends from other ethnic backgrounds
- Service user satisfaction with the council's online service offer

Priority 3 - A dynamic outcomes-based Council using digital innovation and partnership working to respond to the changing needs of our borough

Tower Hamlets is the UK's most dynamic, innovative and exciting place. Change is happening at a faster rate than any time in our history. We are seeing a rapid expansion in the number of homes and jobs and a changing, growing population. The vast majority of residents (92%- Annual Residents Survey 2019) have access to the internet.

Our response to the pandemic and ongoing pressures and reduced funding means we need to embrace our recent learning and use technology, working with residents and partners to make the most of our resources. We will continue to operate some of our more flexible ways of working and will maintain dedicated operational COVID-19 metrics which will help us track the progress of the recovery phase and will enable us to make data driven decisions.

To get the best outcomes, the council needs to be more agile, leaner and strategic, and cannot deliver everything. We will commission services when other organisations are in a better position to provide them and work in partnership with stakeholders.

Smarter Together is the council's blueprint for transformation setting out how the council will work by 2022. Smarter Together will make us become a dynamic, outcomes-based organisation using digital innovation and partnership working to respond to the changing needs of our borough. Our transformation is shaped by three lenses – Partnership, Outcomes and Digital.

Partnership: Collaboration with residents, businesses and partners at the earliest stage is at the heart of our approach, sharing resources to become more than the sum of our parts.

Outcomes: We will be agile in responding to issues and finding solutions inside and outside the council, measuring the difference we are making in people's lives. Services will be delivered by organisations that offer the best outcomes for our residents, and we will work across traditional team and service boundaries.

Digital: Accessing most council services will feel similar to the best online experiences. Smart technology will allow people to transact, feedback and measure services with ease, in the way that best meets their needs.

Outcome 9: People say we are open and transparent putting residents at the heart of everything we do

Our residents are varied and have a range of needs. Everyone who lives, works, studies, visits or does business in Tower Hamlets will use a council

service in some form, whether they are visiting one of the council's parks, applying for a parking permit or simply walking down one of our streets. Every resident should feel that they have received excellent customer service when dealing with us and should be able to easily connect with us whenever they want. In most cases we should be able to meet their needs first time around. To do this, we will need to work with our residents to get feedback, as well as analysing the information provided by people using our services.

Our COVID-19 resident impact survey told us that 6.9% of people surveyed were accessing and 10% needed to access but weren't currently getting information about what is on offer in their community. People also told us they were more digitally active, including 16.7% saying they were using the internet more confidently. Helping our residents to become confident in dealing with us online helps them to become more independent financially, socially and practically. This will help them in other areas of their lives, such as getting information about jobs, or getting a better deal from their energy provider.

The importance of staff and resident interaction is a significant cross-cutting theme that has been identified in considering the impact of the pandemic. We will build on digital provision and access during the pandemic and move to be 'digital by default' (which means that this will generally be the main way that people contact or do business with us for straightforward matters) maximising this shift and the opportunities it provides.

The council and its partners collect and store large amounts of data on our residents, businesses and communities that we use as part of our everyday service delivery and transform into intelligence to inform service planning. However, much of this data is fragmented and underused and as highlighted by the pandemic we need to unlock the potential of our data giving staff the power to make better informed decisions to deliver better outcomes for our residents and communities. We will ensure that we fully adhere to data protection laws and best practice, and continue to take these responsibilities seriously.

What actions will we take?

1. Embedding the use of our new consultation hub: Let's Talk Tower Hamlets, along with new consultation standards, to support greater resident participation in the development and cocreation of projects
2. Building on our learning from COVID-19 further improve customer experiences by increasing digital access to services
3. Continuously improve systems and processes to support democratic participation by local communities
4. Delivering objective one of the Communications Strategy – telling our story
5. Publish information which empowers local residents and stakeholders to understand council decisions, performance and spend

What will we measure?

- Service user satisfaction with the council's online service offer
- User satisfaction with libraries and Idea Stores

- Residents' perception of being involved in decision-making
- Residents' perception of being kept informed by the council
- Residents' perception of council transparency

Outcome 10: People say we work together across boundaries in a strong and effective partnership to achieve the best outcomes for our residents

The Tower Hamlets Strategic Partnership (THP) is the borough's Local Strategic Partnership bringing together key stakeholders to provide and improve services and outcomes for local residents. In particular, it gives residents more powerful input in the way services are provided and ensures that all aspects of the community work together to achieve the objectives of a borough plan.

Working with our partners we responded rapidly to the pandemic. Senior leaders across the borough met regularly and enabled the delivery of a range of work streams to support our community, including establishing the Integrated Discharge Hub and enabling the deployment of more than 2,000 volunteers across the borough. The COVID-19 resident impact survey found generally respondents were satisfied with the way the council and partners are managing their response to the pandemic.

Addressing the broader impact of the pandemic, such as that on employment and health, we have been able to use existing partnership structures, such as the THP's Partnership Executive Group, who have met fortnightly and are continuing to provide a system-wide view as we enter recovery.

We need to review our investment in partners, and will build on this way of working with the council as convenor, empowering partners to lead on prioritised areas where we can add value, and focusing our partnership resources to enable the social and economic recovery of the borough. We are working with our partners to address many of our key challenges in Outcomes one to eight of this Plan.

What actions will we take?

1. Continue to promote Tower Hamlets as a place and community cohesion through partnership working and campaigns such as #TowerHamletsTogether
2. Develop a clear set of priorities for partnership working that focuses on social and economic recovery of the borough
3. Work with partners to mitigate impact of Brexit on communities and stakeholders in Tower Hamlets
4. Improve collaborative working and integration with partners to drive improvements against the four priority areas of the Tower Hamlets Plan

What will we measure?

- Children & young people accessing mental health services
- Residents supported into employment by the Workpath partnership
- Resident satisfaction with council and partner response to anti-social behaviour (ASB)

- Residential and nursing admissions (over 65s)

Outcome 11: People say we continuously seek innovation and strive for excellence to embed a culture of sustainable improvement

Our improvement journey has seen us take massive strides forward, resulting in the removal of Government Directions and withdrawal of Commissioners, and more recently turning around Children's Services in just two years to achieve of an Ofsted Good rating.

Improvements made by our transformation agenda enabled us to respond swiftly to the impact of the pandemic. We had to learn very quickly to deliver services in a new way, including through redeployment and with large numbers of staff working at home. While staff sickness did increase, this peaked on 1 April and has steadily declined and now stabilised. A survey of staff undertaken at the end of April saw high numbers of staff reporting good mental health at that time. Our response also saw the introduction of virtual decision making ensuring we maintained good governance of the council.

We will build upon our pandemic response to review the delivery of our services, ensuring we can make continuous improvements. The pandemic has and will continue to have an impact not only on our residents, but also on how services are configured to meet their needs. Simultaneously, it has also presented opportunities in how we have been agile, where possible delivering remotely. We are keen to further review the configuration of services and how they are delivered. We as civic leaders will need to increase our efforts and ensure a greater coherence of approach across our organisations.

We are calling this a 'whole system' approach to change in Tower Hamlets, and it will require us to work together in new ways, build better alignment of our respective efforts in service of our shared aims, and put the interests of the borough above those of our individual organisations.

What actions will we take?

1. As part of our Smarter Together Transformation programme, modernise our core support and enabling functions to improve effectiveness and efficiency
2. Deliver improvements to how we use our land and buildings, supporting the council's wider ambitions of recovery and transformation
3. Implement modern infrastructure to remove the technical barriers to the council's ambitions
4. Enable colleagues to work reliably and securely from anywhere
5. Drive and support digital inclusion in the borough including enabling residents to access our services
6. Develop and deliver a Workforce & Wellbeing Strategy
7. Realign our budget to the council's revised priorities during the ongoing response to the pandemic and the post COVID-19 environment
8. Continue the programme of service reviews and transformation projects to improve operational effectiveness

What will we measure?

- Council staff sickness absence rate
- Council staff turnover rate
- Residents' perception of the council doing a better job than last year
- Budget variance for the general fund
- Media and press view of the council

How to get involved

Our Community Engagement Strategy sets out our vision for transparency and openness by encouraging active participation of our residents to influence and shape the borough in which they live and work. We want communities to lead the way in making Tower Hamlets a great place to live and we want communities to have the power to influence issues that affect them the most.

Find out about the latest council news and events by visiting our website:
www.towerhamlets.gov.uk

Check out our calendar of meetings to find out about upcoming council and committee meetings:
www.towerhamlets.gov.uk/meetings

We regularly consult our residents and local businesses about proposals that are likely to impact them:
www.towerhamlets.gov.uk/consultation

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Outcome	Measure	Short description
1	Percentage of secondary pupils attending school regularly	The percentage of secondary school pupils who attended at least 90% of their possible sessions.
1	Percentage of Idea Store Learning learners who pass their course	The percentage of adult Idea Store learners who completed their course successfully. Counting number of courses successfully passed.
1	Percentage of 16-17 year olds in education, employment or training	The proportion of 16-18 year olds who are in Education, Employment or Training (EET). The measure is based on tracking the progression of young people in the age group.
1	Number of SMEs and new enterprises supported through the council's business programmes	The number of businesses in the borough involved in participating in any of the enterprise support projects that the council runs.
1	Number of adults supported into employment by the Workpath service	Number of adults supported into employment by the Council's Workpath Service. Cumulative measure.
2	Families who are seeing the benefits of being supported before problems escalate	The percentage of families who achieved improved outcomes through Early Help support.
2	Percentage of pupils who are regularly attending primary school in reception year	The percentage of pupils in Reception who attended at least 90% of their possible sessions.
2	Percentage of pupils who are regularly attending primary school in Years 1-6	The percentage of pupils in Years 1-6 who attended at least 90% of their possible sessions.
2	Long term looked after children who are in stable placements	The percentage of children who have been looked after for two and a half years or more who have been in the same placement for at least the last two years or who are placed for adoption.
2	Young people engaging with the youth offer who achieve a recorded outcome	The percentage of young people who are engaged with the with the Council's and Council commissioned youth centres who achieve a recorded outcome.
3	People who are more independent after being supported through reablement services	Reablement is a short term service provided to people leaving hospital or current service users who may have deteriorated following a fall or a spell of illness. Reablement is designed to enable them to remain more independent for longer. The measure reflects the proportion of new clients who required reduced support after reablement or who did not require any further support within the year.
3	Residents' self-reported level of physical activity	This measure is taken from the council's residents' survey. It is expressed as the percentage of respondents who say that, on average, they complete over 150 minutes of physical activity and are therefore considered physically active in line with national guidance.
3	Residents' self-reported level of health	This measure is taken from the council's residents' survey. It is expressed as the percentage of respondents who report their health as being 'very good' or 'good'.

4	Residents' self-reported level of health for groups experiencing health inequalities - BAME residents	This measure is taken from the council's residents survey. The result is expressed as the percentage of respondents who report their health as being 'very good' or 'good'.
4	Residents' self-reported level of health for groups experiencing health inequalities - residents from C2, D, E socio-economic groups	This measure is taken from the council's residents survey. The result is expressed as the percentage of respondents who report their health as being 'very good' or 'good'.
4	Number of women supported into employment by the Workpath service	This measure is a count of the number of female residents supported into work through support from the council's WorkPath service. Cumulative measure.
4	Number of residents from BAME backgrounds supported into employment by the Workpath service	This measure is a count of the number of residents from Black, Asian and minority ethnic (BAME) backgrounds supported into work through support from the council's WorkPath service. Cumulative measure.
4	Number of residents who have disabilities supported into employment by the Workpath service	This measure is a count of the number of residents who have a disability or health problem, who are supported into work through support from the council's WorkPath service. Measuring residents who have said they have health problems. Cumulative measure.
4	Number of residents who come from deprived postcodes supported into employment by the Workpath service	This measure is a count of the number of residents from deprived postcodes supported into work through support from the council's WorkPath service. Deprived postcodes are postcodes in the bottom three deciles according to the Index of Multiple Deprivation (IMD). Cumulative measure.
4	Households prevented from becoming homeless	
4	Average annual income increase for residents receiving benefit maximisation support	The expected annual increase in income of residents who have been supported to maximise their household income (£).
4	Resident Universal Credit application support	Measuring residents who need to apply for Universal Credit due to a change of circumstances. This includes residents who may, or may not, already be in receipt of another benefit. This indicator measures the number of residents who needed additional help with their Universal Credit application and received support by Council services.
5	Level of public realm cleanliness (litter)	This measure is based on a national methodology to assess the cleanliness of streets and the public realm relating to litter. Surveys of a sample of areas are carried out monthly across the borough. Results of all the surveys will be combined to get the annual result. Areas are scored against a national benchmark of cleanliness levels for litter, and the measure is expressed as the percentage of areas surveyed which meet or exceed the cleanliness standard.

5	Level of CO2 emissions generated by the council's activities	Level of CO2 emissions generated by council activities (measuring % reduction from the baseline).
5	Level of household recycling (quarterly audited)	The measure looks at the percentage of household waste which is sent for reuse, recycling and composting. The end of year figure is based on the cumulative totals for the whole year while quarterly figures relate to performance in the quarter only.
5	Primary school pupils benefiting from a school street at their school	Streets around schools are often dominated by idling cars and speeding traffic at drop off and pick-up times, resulting in air pollution and an environment that is generally unpleasant for walking and cycling. The numerator for this measure is the number of primary aged pupils who go to a school where a school street has been applied.
5	Percentage of population that benefits from liveable streets projects	
6	Residents' satisfaction with the area as a place to live	This measure is taken from the council's residents' survey and is expressed as the percentage of respondents who are very / fairly satisfied with the local area as a place to live.
6	Level of affordable homes completed	
6	Homeless households moved into permanent social housing	Proposed change to title only to <i>Homeless households moved into permanent social housing</i> . Definition unchanged. Title change to clarify expectation.
6	Lets to overcrowded households	A count of the number of households who were assessed as overcrowded, and have been allocated a social housing property with the appropriate number of bedrooms as defined under bedroom standard set out in the Council's allocation scheme. Cumulative measure.
6	Number of affordable homes permitted	The number of affordable homes that have been given planning permission.
7	Young people entering the youth justice system for the first time	This measure looks at the number of young people who enter the youth justice system for the first time in their lives. The measure is calculated quarterly for a rolling 12 month period and is expressed as a rate per 100,000 people in the relevant age group. This standardisation enables comparison to other areas.
7	Residents' concern about crime and anti-social behaviour	This measure is taken from the council's residents' survey and is expressed as the percentage of respondents who felt that crime and Anti-Social Behaviour was ranked in the top three concerns for them.
7	Residents' feeling of safety in their local area	This measure is taken from the council's residents' survey and is expressed as a percentage of respondents who feel safe in their local area during the daytime.

7	Drug users (opiate users) successfully completing treatment	This indicator looks at successful addiction recovery. It shows the proportion of opiate users that left drug treatment successfully (free of drug(s) dependence) who do not return to treatment again within 6 months expressed as a proportion of the total number of opiate users in treatment. It is well evidenced that cessation of drug use reduces re-offending significantly, reduces infection transmission and improves health and well-being.
7	Victims of violence against women and girls who feel safer after engaging with victim support	This indicator measures the effectiveness of the council's commissioned service. The council commissions a service to support women and girls who have experienced domestic abuse. The measure is derived from the results of a self-completion satisfaction survey that all those who have used the service are invited to complete and forms part of the contract monitoring of the commissioned service. (updated).
8	Residents' level of volunteering	This measure is taken from the council's residents survey and is expressed as a percentage of respondents who answered yes to the statement 'over the last 12 months, how often, if at all, have you taken part in any volunteering activities? By volunteering, we mean giving unpaid help through groups, clubs, schools or organisations for the benefit of others.
8	Level of hate crime	MOPAC Local Borough Police Priority - Number of offences of hate reported to the Police including Disability, Faith, Homophobic, Racist and Transgender. This is a 12 - month rolling measure.
8	Residents' perception of people from different backgrounds getting on well	This measure is taken from the council's residents survey and is expressed as the percentage of respondents who feel that 'people from different backgrounds who get on well together'.
8	Percentage of Idea Store learners who pass their English for Speakers of Other Languages (ESOL) course	This measure is a subset of the overall Idea Store learning measure in Outcome 1.
8	Proportion of residents who have friends from other ethnic backgrounds	This measure is taken from the council's residents survey and is expressed as the percentage of respondents who state that they have friends from different ethnic backgrounds to themselves.
9	Service user satisfaction with the council's online service offer	This indicator measures the percentage of customers who are satisfied with the online customer experience.
9	User satisfaction with libraries and Idea Stores	
9	Residents' perception of being involved in decision-making	This measure is taken from the council's residents survey and is expressed as the percentage of respondents who agree a great deal or to some extent with the statement 'the council involves residents when making decisions'.

9	Residents' perception of being kept informed by the council	This measure is taken from the council's residents survey and is expressed as the percentage of respondents who agree a great deal or to some extent with the statement 'the council keeps residents informed about what it is doing'.
9	Residents' perception of council transparency	This measure is taken from the council's residents survey and is expressed as the percentage of respondents who agree a great deal or to some extent with the statement 'the council is open and transparent about its activities'.
10	Children & young people accessing mental health services	This measure gives the percentage of children and young people aged 5 - 17 who have a diagnosable mental health condition and are receiving treatment to support their mental wellbeing.
10	Residents supported into employment by the Workpath partnership	This measure is a count of the number of residents supported into work through support from the WorkPath partnership, consisting of the council's WorkPath service and a range of internal and external partners. Cumulative measure.
10	Resident satisfaction with council and partner response to anti-social behaviour (ASB)	This measure is from the council's annual resident survey and shows the percentage of respondents who are satisfied with the council and partners response to ASB.
10	Residential and nursing admissions (over 65s)	This measure is from the Adult Social Care Outcomes Framework (ASCOF 2a pt 2) national set of metrics and is a key Better Care Fund indicator for assessing the effectiveness of integrated work across the local health and care system. It measures the number of council-supported older adults (65+) whose long-term support needs were met by a change of setting to residential and nursing care during the year (excluding transfers between residential and nursing care), as a rate per 100,000 population.
11	Council staff sickness absence rate	This measure looks at the average number of sickness absence days per full-time equivalent employee over the past 12 months. The measure is reported monthly as a rolling 12 month figure.
11	Council staff turnover rate	Measuring the percentage of staff who have left the organisation in the rolling 12 month period. As a proxy of staff retention.
11	Residents' perception of the council doing a better job than last year	This measure is taken from the council's residents survey and is expressed as the percentage of respondents who agree a great deal or to some extent that the council is doing a better job than a year ago.
11	Budget variance for the general fund	This measure looks at the variance of the general fund actual spend against the budget to date.
11	Media and press view of the council	This measure looks at the percentage of positive and neutral media coverage (trade, local, regional, national and BME media) of the Council as an organisation, across a range of media platforms, that is either positive or neutral in tone.

<p style="text-align: center;">Cabinet</p> <p style="text-align: center;">29 July 2020</p>	 <p style="text-align: center;">TOWER HAMLETS</p>
<p>Report of: Neville Murton, Corporate Director of Resources</p>	<p>Classification: Unrestricted</p>
<p style="text-align: center;">Medium Term Financial Strategy Refresh and 2021-22 Budget Planning</p>	

Lead Member	Councillor Ronald, Cabinet Member for Resources and the Voluntary Sector
Originating Officer(s)	Kevin Bartle (Interim Divisional Director, Finance Procurement and Audit)
Wards affected	All wards
Key Decision?	No
Forward Plan Notice Published	30/06/2020
Reason for Key Decision	N/A
Strategic Plan Priority / Outcome	<p>1. People are aspirational, independent and have equal access to opportunities;</p> <p>2. A borough that our residents are proud of and love to live in;</p> <p>3. A dynamic outcomes-based Council using digital innovation and partnership working to respond to the changing needs of our borough.</p>

Executive Summary

In February 2020 the Council agreed its budget for 2020-21 and set out a Medium Term Financial Strategy (MTFS) covering the period 2020-2023. This included additional savings of £8.653m to be delivered over the extended MTFS period.

Very shortly thereafter the country was hit by the COVID-19 (CV-19) pandemic and the government implemented on the 20th of March a series of emergency measures including a lockdown. Local authorities' emergency planning procedures were invoked and new responsibilities followed including in relation to the borough's most vulnerable residents.

This crisis has had a profound impact on the Council's budget and its ability to deliver services and, as a consequence, on its financial planning assumptions. The

council welcomed the Government's pledge to provide 'whatever it takes' to cover the cost of dealing with the crisis. As a result of the pandemic, and this explicit government commitment, new areas of expenditure were required together with fundamental changes to the Council's main sources of funding; additional emergency short term funding was made available by the government alongside other measures to support the Council's cash flow. The Council's priorities were redefined by the crisis and the delivery of some proposed investments and savings were paused.

This report updates the Cabinet on the key issues affecting the Council's budget planning for the future including the impact of the CV-19 pandemic on the Council's finances for 2020-21. It also updates the MTFS by extending it to 2023-24; a potential budget gap of £12.9m for 2021-22 is highlighted with a further £26.3m in 2022/23. The national environment, both financial and in relation to the virus, continues to be subject to significant uncertainty with the government announcing the deferral of the Fair Funding Review and the Business Rates Reset and there being potential for further waves of the virus.

Separately the Council has set out the impact of the pandemic. The Council is now experiencing a rise in demand and extreme pressure on services especially in mental health, social care, homelessness, unemployment, domestic abuse as well as increased levels of financial hardship, poverty exacerbating existing inequalities. A further report establishes a refreshed strategic plan outlining the high-level interventions we will take as part of our response and a basis for future policy considerations. Taken together these reports inform a new direction in what is a fundamentally more challenging financial environment.

If government fail to honour its pledge to cover the cost of dealing with the pandemic then as a council we will be in a difficult financial position in future years and as a result will have to make tough choices about our services. We are not complacent and will continue to fight for our fair share of funding to continue to protect the essential services needed to support residents.

As previously, consultation with residents, businesses and other key stakeholders will be a feature of proposed changes and the report also sets out a timeframe for that consultation.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Note the updated draft budget position for 2021-22 to 2023-24, and specifically that a further gap has arisen in 2021-22 since this was last reported to Cabinet.
2. Note the need to set a balanced budget over the whole of the MTFS period and that prompt and decisive action is required urgently to address the challenging financial position outlined in the report as highlighted by

the now increased budget gaps.

3. Note the issues and actions set out in this report that are informing the development of the MTFS for 2021-24 which will include the following recommendations: -
4. Remove the previously agreed growth item in the MTFS relating to Early Help, in the sum of £0.475m (see paragraph 3.72); and
5. Approve the revised policy for management of the New Homes Bonus specific grant so that it fully supplements the revenue budget going forward.
6. Note the indicative timeline of formal budget consultation with residents, businesses and other key stakeholders and to receive feedback on the consultation at Cabinet in December.

1 REASONS FOR THE DECISIONS

- 1.1 The country, indeed the world, has experienced a period of massive turbulence; in response to the pandemic the UK government has borrowed heavily, increasing the national debt to never before seen levels in order to fund the nationwide response to the pandemic and to protect the economy in preparation for the time when the virus subsides. Alongside our key partners, Local Authorities have been at the forefront of responding to the needs of local residents, taking on new responsibilities as well as continuing to deliver a range of existing services in a situation of heightened demand. The cumulative impact of those matters requires a change in approach from that set out and agreed in February when the Council approved its budget.
- 1.2 Tower Hamlets now finds itself in a materially changed environment from that which existed in February 2020 when the budget and medium term financial strategy were approved by the Council. The priorities set out in its strategic plan were temporarily set aside in order to respond to the crisis. However, four months further on there is a need to re-evaluate the extent to which those priorities remain relevant in the context of the continuing uncertainty associated with CV-19 and, just as importantly, the financial position that the council now finds itself in.
- 1.3 The Council is under a duty to set a balanced and sustainable budget and maintain adequate reserves such that it can deliver its statutory responsibilities and priorities. 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. The need to respond immediately to the pandemic and the impact that this has had on the Council's finances means that a re-evaluation of the

current year's financial position is the starting point for any changes.

- 1.4 The financial issues raised within this report and the complementary reports considering the Council's response to the pandemic and its impact, need to be considered together in order to reach a balanced and strategic view of the Council's future direction.

2 ALTERNATIVE OPTIONS

- 2.1 Whilst the Council will adopt a number of approaches to the identification of measures aimed at delivering its MTFs it must set a legal and balanced budget and maintain adequate reserves. The scale of the changes experienced mitigate against continuing on the basis agreed in February without a re-appraisal of both the financial and policy position.

3 DETAILS OF THE REPORT

3.1. BACKGROUND

- 3.1.1. The medium term financial planning process is an essential part of the Council's resource allocation and strategic service planning framework. The Medium Term Financial Strategy (MTFS) integrates strategic and financial planning over a three year period. It translates the Strategic Plan priorities into a financial framework that enables the Mayor and officers to ensure policy initiatives can be delivered within available resources and can be aligned to priority outcomes.

- 3.1.2. The drivers for the Council's financial strategy are:

- To set a balanced budget over the life of the MTFS whilst protecting residents from excessive Council Tax increases, as defined by the government, through the legislative framework covering Council Tax referenda.
- To fund priorities agreed within the Strategic Plan, ensuring that service and financial planning delivers these priorities.
- To deliver a programme of planned reviews and savings initiatives designed to keep reductions to service outcomes for residents to a minimum.
- To maintain and strengthen the Council's financial position so that it has sufficient contingency sums, reserves and balances to address any future risks and unforeseen events without jeopardising key services and delivery of service outcomes for residents.
- Ensuring the Council maximises the impact of its spend to deliver priority outcomes in the context of reducing resources.

- 3.1.3. In February 2020 the Council agreed a balanced budget for 2020-21 and a Medium Term Financial Strategy (MTFS) to 2022-23 identifying further

savings of £8.653m to be delivered over that period and utilising £1.740m of general fund reserves in 2020-21.

3.1.4. Since 2011-12 in the face of unprecedented reductions in Government funding and increasing demand on services, the need to make savings has dominated the Council's financial planning process. In early 2020 a further dimension appeared with the need for local authorities to respond immediately to the COVID-19 virus.

3.1.5. This report begins to explore the challenges facing the Council in the context of a number of forthcoming fundamental changes to the financial environment in which Local Authorities operate. In particular it outlines a process that will deliver a balanced budget position over the course of the MTFS period; taking into account the views of residents, business rate payers and other interested stakeholders.

3.2. STRATEGIC APPROACH

3.2.1. The Strategic Plan 2020-23 has been refreshed (separate item on Cabinet agenda) to take account of the CV-19 pandemic impacts (separate item on Cabinet agenda) of exposed inequality and rising demand, as well as opportunities to holding on to gains such as improved air quality, delivering services in a different way and tackling rough sleeping. This has identified high level priority actions, which will be expressed in developments to the Council's MTFS. The refreshed Strategic Plan focuses on the three priorities set out below; within each priority there are a number of outcomes which guide how services will be delivered in the interests of residents.

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.

3.2.2. In the light of the current position the need to consider and re-focus some of these priorities, it is essential to ensure that officers and members have a shared understanding of relative priorities and can plan strategically for their delivery within the available resources.

3.3. OUTCOMES BASED BUDGETING

3.3.1. Outcome Based Budgeting (OBB) aims to directly link how resources are allocated against the strategic priorities of the Council as a means of informing decision making and outcome monitoring.

3.3.2. The Council's Medium Term Financial Strategy (MTFS) 2020-2023 was prepared using these principles and this is intended to ensure that the Council is delivering the Council's priority outcomes, as set out in the Strategic Plan, while making savings through planned budget reductions rather than cutting costs on a service by service basis.

3.3.3. The emergence of the CV-19 pandemic in early 2020 created a new set of priorities determined partly by the national response to the pandemic and local authorities' position in responding to government instructions. The Council's recovery plan aims to ensure the council and residents recover from the impact of the pandemic. We will continue to respond to the needs of our community during the ongoing pandemic, whilst ensuring that we deliver council priorities including a sustainable future budget. At the same time, we believe that we can deliver better outcomes for residents by using the opportunities from new ways of working, efficiency and effectiveness learnt during this period.

3.3.4. Our approach follows these principles:

- We will ensure a safe transition out of lockdown, with a balanced approach to risk and recovery to ensure continued safety of our staff and community, whilst supporting the social, economic and health recovery of the borough
- We will maintain a coordinated, multi-agency approach

- Council services, democratic processes, and priorities will be updated as we reconstitute them to improve outcomes for the community
- Transformation, change and value for money will be embedded
- Budget implications will be managed and our income rebuilt
- The effort and commitment of staff and community during the pandemic will be recognised
- We will support the healing process
- Learning from our experiences during the pandemic will inform our future work
- There will be consistent and timely communication across the council and its partners

3.3.5. Fifteen main issues have been identified through a review of the impact of CV-19 and these have been analysed for the CV-19 impact on the UK, Tower Hamlets and specific groups in our communities, including consideration of the headline results from the resident survey. These main areas of impact are:

Mortality and physical health	Domestic abuse
Mental health	Crime and ASB
Social care	Substance misuse
Deprivation and employment	Education and learning
Business	Transport and air quality
Community and voluntary sector	Community cohesion and involvement
Homelessness and rough sleeping	LBTH workforce
Safeguarding adults and children	

3.3.6. We need to be clear about the profound impact that pandemic has had/continues to have on our finances. To ensure that a complete picture is understood this report and other policy focussed pieces of work will set out as a basis for further political and stakeholder consultation over the remainder of the summer several key areas of work including:

- Consideration of the short and medium-term impacts from the CV-19 pandemic and resulting impact on the economic environment that the Council operates within.
- Extending the MTFS by a further year to cover the period 2021-2024; identifying the gap arising from recent funding announcements and the Council's options for managing these strategic issues.
- A review of previously agreed savings and growth proposals, including specific consideration of their continued relevance.
- Consideration of new proposals, including high level business cases, required to either replace previous unachievable savings or to bridge the funding shortfall now evident from revised financial projections.

- The Council's medium-term financial prospects in the light of:
 - Deferral of the Fair Funding Review from April 2021 until 2022-23 at the earliest.
 - The expected associated changes to the national Business Rates retention scheme alongside the Fair Funding Review, including any proposals for a continuation of business rate pooling within London.
 - The uncertainty surrounding the timing and context for a future Comprehensive Spending Review. It is vital that the Council understands clearly its future funding position, and the delay in the Spending Review will make a very difficult financial management process even more challenging.

3.4. ESTIMATED OUTTURN 2019/20 AND 2020/21 LATEST POSITION

- 3.4.1. Local Government has been dealing with reducing funding levels for well in excess of ten years now – austerity, following the financial crisis of 2008 has seen a sustained and significant reduction in funding levels provide by central government and a move towards reliance on locally generated sources of long term funding in the form of Council Tax and National Non-Domestic Rates (Business Rates).
- 3.4.2. Paradoxically the reliance on those sources of funding has, in the context of CV-19, exposed the weakness of that approach to local government funding with material and immediate adverse impacts on the level of income being received together with additional demands being placed on council services and support mechanisms. The changes to funding levels will impact primarily on 2021/22 onwards with substantial Collection Fund deficits for 2020/21 being predicted as a result of both reductions in the yield from Council Tax and Business Rates but also the resultant increase in the cost of the Council's Local Council Tax Reduction Scheme.
- 3.4.3. The need to make year on year savings has dominated the budget setting process in recent years and coupled with increasing demands for services and Member priorities there has been a marked reduction in the level of reserves and balances held by the Council. Since 2010 the council has had to save £190m due to government austerity and increasing demand and over the next three years we had expected to have needed to save a further £39m; that position has now deteriorated further. The estimated outturn position for 2019/20 which is also presented on the agenda to Members today (29 July 2020) sets out a deficit on the year of £10m and a reduction in the estimated level of the General Fund Balance at the end of March 2020 to £8.3m; earmarked reserves are therefore needed to be re-focussed in order to ensure that the minimum working balance on the General Fund reserve can be maintained at £20m in accordance with the Council's reserves policy.
- 3.4.4. Also being considered by members today is the first quarter budget monitoring information for the current (2020/21) financial year and which takes into account the initial estimated impact of the CV-19 pandemic. This already highlights a gross overspend position of £34m and whilst

additional government support has been received, and more is expected in light of very recent announcements referenced elsewhere in this report, there is a significant and worsening gap between the financial impact of CV-19 on the Council and the level of promised government support. The further impact of the estimated net overspend for 2020/21 would, without immediate action, take the General Fund balance into an 'overdrawn' position which would contravene Council policy and thus cannot be allowed to take place. The balance will have to be 'topped up' from earmarked reserves, which will clearly have an impact on the plans for use of those earmarked reserves.

- 3.4.5. The government requires the return of monthly information and the latest position for June 2020 indicates a shortfall in relation to additional costs, loss of sales, fees and charges income and the funding impacts totalling circa £36m. On the 2 July the government announced a further £500m of support; on the 16 July the individual allocations were announced setting out an additional £4.138m for Tower Hamlets, some relief for the loss of sales, fees and charges income (75% of losses above 5%) and changes to allow Collection Fund deficits to be recovered over a 3 year period rather than in a single year. Taken together, and whilst welcome, it is clear that without substantial additional funding the financial position will continue to deteriorate rapidly unless other prompt and focussed remedial action is taken by the Council. To be clear, the additional support for the Collection Fund recently announced by the government will assist our cash flow as we will have longer to repay the deficit but crucially it will not fund the deficit(s).
- 3.4.6. The Council's Chief Financial Officer (S151) has to maintain oversight over the adequacy of the level of reserves and balances and the robustness of the financial estimates used when setting the budget. It is a significant cause for concern that subsequent to setting the budget in February there have been material changes in both of these aspects of the Council's finances and it is apparent that without further clarity over government support difficult decisions will need to be taken to reduce expenditure quickly and this will inevitably impact service delivery and require rapid re-prioritisation to take place.

3.5. IMPACT ON COUNCIL SERVICES

- 3.5.1. In the context of the funding challenges set out in this report it is critical that the government delivers on its "whatever it takes" pledge to cover the cost of our response. While we welcome recent government spending announcements on recovery, including support for business, training, skills and the green economy, we are keen to ensure these commitments are stood behind, and strive to ensure we are positioned to embed these proposals into our local ambition for recovery. However, if the government does not provide the funding required, we will need to make significant changes to the way the council operates. There will be difficult choices to make including changing the way we deliver services and previous priority areas.
- 3.5.2. The Council has maintained a 100% Local Council Tax Reduction Scheme since the transfer in 2013 of Council Tax benefit. Since the

pandemic lockdown in March the cost of that benefit has risen by circa £3m, in addition to the consequent loss of Council Tax income.

- 3.5.3. The impact on the Council's Housing Benefit shortfall as homeless people were housed at government's direction has also increased given the disparity between the level of funding supported by the benefit and the high cost of acquiring temporary accommodation in the borough.
- 3.5.4. A number of key Council priorities have been funded by reserves and in the context of the revised position the intended use of all reserves is under review; this has implications for the Council's Universal Free School Meals programme for infant children; the Tackling Poverty Fund; the purchase of additional police officers to name a few.
- 3.5.5. The lessons learnt from the delivery of key council services during the pandemic and a re-appraisal of service needs in the emerging landscape also means that we will be in a position to review the need for, and uses made of, many of our assets such as buildings and service delivery points and also ensure that the premium to be gained from the continued digitisation of services and service delivery is in fact realised.
- 3.5.6. The majority of the Council's costs relate to staffing and, given the scale of the challenges being faced in 2020/21 and projected for future years, it is likely that significant reductions will need to be made to the Council's overall headcount and pay bill. The processes by which posts are identified will draw upon the lessons learnt during the pandemic about which services are essential, which services are discretionary and which service delivery points are required for the future delivery of what are likely to be changed or redesigned services.

3.6. FUNDING FOR 2021 ONWARDS

- 3.6.1. The last funding settlement agreed with the Government expired at the end of the 2019-20 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 Brexit, it was announced in 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.
- 3.6.2. The more recent impact of the CV-19 pandemic will inevitably impact on the level of resources available and will also shape the government's own short-term funding priorities. This means both the relative priority of local government against other government departments such as the NHS as well as the relative resource allocations between local government services.
- 3.6.3. Previously the direction of travel for Local Authority funding has reflected a move away from direct general government support such as through Revenue Support Grant towards more targeted grant support coupled with an increased reliance on locally generated sources of income such as the Council Tax and retained Business Rate receipts.

- 3.6.4. The Local Government Secretary, Robert Jenrick, announced on 2 July a support package to help councils respond to CV-19 and to help ensure councils' financial sustainability for the future. This included allowing councils to repay Council Tax and Business Rates deficits over a three year period instead of one. The announcement also stated that in the next Spending Review the government will agree an apportionment of irrecoverable Council Tax and Business Rates losses between central and local government for 2020-21. The sooner the Council understands the impact of the now delayed Review the better, as any further delay exacerbates the difficulty in undertaking robust financial planning.
- 3.6.5. The following sections consider the funding prospects over the period 2021 to 2024, summarising the overall financial position and reviewing the estimated position. Appendix 1 sets out this overall position identifying a £12.9m overall funding shortfall for 2021-22.

Core Grants

- 3.6.6. The Council is in receipt of several core grants to support specific service priorities. Given the uncertainty of the Fair Funding review, assumptions have needed to be made in respect of most grants after the announced 2020-21 level. There are risks associated with this approach as the government may decide to: change its priorities and reduce or cease funding through a grant; or reallocate service specific grants into more general funding with a changed distribution. Current assumptions for each of these are summarised in the table below:

Table 2 - Summary of Core Grants 2020-24

Core Grants	2020-21 £m	2021-22 £m	2022-23 £m	2023-24 £m
Revenue Support Grant	33.823	34.501	35.191	35.895
New Homes Bonus	21.981	9.992	3.812	0.000
Improved Better Care Fund	16.316	16.316	16.642	16.975
Social Care Grant	9.367	9.367	9.554	9.746
Public Health Grant	35.195	35.899	36.617	37.350
Rough Sleeping Initiative	0.636	0.636	0.649	0.662
Flexible Homelessness Support & Homelessness Reduction	5.106	5.106	5.208	5.312
Total Core Grants	122.424	111.817	107.673	105.938

Revenue Support Grant

- 3.6.7. Revenue Support Grant (RSG) is a central government grant given to local authorities which can be used to finance revenue expenditure on any service. The amount of Revenue Support Grant to be provided to authorities is established through the Local Government Finance Settlement using the relevant funding formulae; the revision of these formulae is the focus of the (deferred) Fair Funding review process.
- 3.6.8. The Council's Revenue Support Grant (RSG) has decreased from circa £54m in 2017-18 to circa £34m in 2020-21.

New Homes Bonus

- 3.6.9. The New Homes Bonus (NHB) scheme was introduced in 2011-12 to help tackle the national housing shortage. The scheme was designed to reward those authorities that increased their housing stock either through new build or by bringing empty properties back into use.
- 3.6.10. Tower Hamlets is a high growth area and has attracted one of the highest levels of NHB in the country.
- 3.6.11. The Council has reduced its reliance on NHB as a funding source in support of its general revenue budget since 2016-17. From the £22.0m NHB the Council expects to receive in 2020-21, £6.0m will be used to support the revenue budget. In the light of the financial situation that the Council now finds itself in, the Chief Financial Officer has considered the previous approach set out in the MTFS i.e. to only to allocate £3.2m NHB to support the revenue budget in 2021-22 and 2022-23 and has concluded that this must now be revisited. The previous approach of placing the balance into an earmarked reserve was appropriate prior to the impact of CV-19 but, given that it is a non-ringfenced grant and the acute pressures now being seen that position has been revisited. The NHB is expected to come to an end in 2023-24 and although it is expected that decreases in NHB will be re-allocated nationally into other funding streams such as the Revenue Support Grant or other core grants, this will need to be kept under review.

Improved Better Care Fund

- 3.6.12. 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.
- 3.6.13. In addition to this, an Improved Better Care Fund (IBCF) was announced in the 2016-17 budget to support local authorities to 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.

Social Care Grant

- 3.6.14. 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.

- 3.6.15. The final 2020-21 LGFS confirmed that the previous Social Care Support Grant allocations will be rolled into a new Social Care Grant for 2020-21. The current MTFS assumption is that half of the Social Care Grant will be directly allocated to adult social care and children's social care, with the other half supporting the revenue budget funding for demographic and inflationary growth for the directorates.

Public Health Grant

- 3.6.16. The Public Health Grant is ring-fenced for use on public health functions exclusively and covers all ages. The current estimate of the Public Health grant allocation for 2021-22 is £35.9m.

Rough Sleeping Initiative

- 3.6.17. The Rough Sleeping Initiative fund was created to provide local support for those living on the streets. This was first announced in March 2018 to make an immediate impact on the rising levels of rough sleeping. This funding combined the Rough Sleeping Initiative and Rapid Rehousing Pathway into a single, streamlined funding programme.
- 3.6.18. The MTFS assumes that the Council will receive an allocation of £0.636m in 2021-22.

Flexible Homelessness Support & Homelessness Reduction

- 3.6.19. This grant is designed to transform the way councils fund homelessness services to provide greater flexibility to prioritise the prevention of homelessness. The grant empowers the Council to support the full range of homelessness services.
- 3.6.20. The MTFS assumes that the Council will receive an allocation of £5.106m in 2021-22.

Council Tax

- 3.6.21. 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.
- 3.6.22. The Council currently 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 circa £1m per annum.

- 3.6.23. The borough has previously seen a year-on-year increase in the number of new homes over the last few years. However, the CV-19 pandemic has had a material impact on the level of income received from this source; the virus has impacted the number of people in work or receiving low pay and as a consequence increased significantly those claiming benefits including through the Local Council Tax Reduction Scheme (LCTRS). There has also been a drop in the collection rate as residents have been affected by CV-19 on their income levels.
- 3.6.24. The MTFS has, in recent years, assumed Council Tax base growth of 3% and a 97.5% collection rate, however to take account of the economic impact of CV-19 these assumptions have been reduced in the latest MTFS as demonstrated in the table below:

Table 3 – Council Tax Current Assumptions

	2021-22	2022-23	2023-24
Council Tax increases	3.99%	3.99%	3.99%
Tax Base increases	2.1%	1.9%	2.4%
Collection Rates	96.0%	97.5%	97.5%

Local Council Tax Reduction Scheme (LCTRS)

- 3.6.25. In February 2020, the Council agreed that there would be no changes to the current Local Council Tax Reduction Scheme (LCTRS) for 2020-21. Since that time and as a result of the CV-19 pandemic the cost of the scheme has risen by circa £3m; the impact of this change will be seen in the 2020-21 Collection Fund deficit when the impact of reduced income from Council Tax and the increased cost of the LCTRS will need to be reflected in the 2021-22 budget.
- 3.6.26. The current scheme remains amongst the most generous in the UK protecting Tower Hamlets residents on low incomes. Those on the lowest income are able to receive 100% relief and pay no Council Tax. The CV-19 pandemic has seen a significant shift from those paying Council Tax towards those being in receipt of the LCTRS. This represents a significant risk to the Council's financial stability as income to the Council falls and demands for services increases.
- 3.6.27. Each year, the council is required to consider whether it wishes to change its Local Council Tax Reduction Scheme. Any changes to the scheme require a full public consultation and impact analysis. To meet the necessary timeline for any changes to be effective from April 2021, consultation would need to begin immediately for Council decision by the end of January.
- 3.6.28. The main options for change would include moving away from a scheme based broadly on the Housing Benefit approach towards an income

banded scheme. The main advantages of adopting an Income Banding Scheme are:

- It is simpler to administer
- Easier for residents to understand
- Once the scheme is in place it is easier to make annual changes and can be link directly to Universal Credit uplift

3.6.29. The savings that could be achieved are dependent on the band settings as determined by:

- The number of bands
- The level of income for each band
- The percentage of discount predicated on each income band; those on the lowest income could continue to receive full (100%) relief against Council Tax payments.

Business Rates Retention

3.6.30. An increasing proportion of the Council's services are funded through locally generated resources such as Business Rates and Council Tax. The current business rate retention scheme is based broadly on an analysis of needs compared to business rate tax base dating back to 2013-14. The government had been expecting to reset the approach in 2020 – rebasing business rate tax base for growth achieved since 2013 and realigning the assessment of needs based on the revised Fair Funding approach. However, in the event this has been deferred firstly because of Brexit and more recently because of CV-19.

3.6.31. There has been an increase in the number of business properties where landlords are struggling to find tenants. As a result of this, where landlords are left with empty properties and would be liable for very high payments for Empty Property Rates, they are carrying out significant structural alterations to the property which has resulted in the Valuation Office Agency reducing the rateable value to zero. This has resulted in a significant reduction in the yield from the tax base, and this is expected to be further exacerbated due to the impact of CV-19. It is anticipated that these properties will be brought back into rating only when new tenants are found, and the yield from the tax base is expected to increase in the longer term.

Collection Fund

3.6.32. There are collection fund deficits from 2018-19 of £11.5m and 2019-20 of £8.1m which will impact the collection fund in 2020-21 (funded by reserves). There is an estimated deficit for 2020-21 of £31.7m, due to the effects of CV-19, which would impact the collection fund in 2021-22. A collection fund smoothing reserve is being created in 2020-21 of £27.5m from S31 business grant monies to fund the majority of this estimated deficit. The recent announcement from the Local Government Secretary allowing for deficits to be repaid over three years instead of one will also support the Council's cashflow.

3.7. GROWTH AND INFLATION

- 3.7.1. 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.
- 3.7.2. In previous budget setting processes, the Council approved amounts for unavoidable growth and estimated inflation over the period to 2023. These will be reviewed as part of updating the MTFS for the period until 2024 and in the context of the overall funding pressures and in particular as a result of the impact of CV-19. In line with this review methodology, the previously agreed 2020-21 growth of £0.475m for Early Help (GRO/CHI 006/19-20) has been reversed in the updated MTFS.
- 3.7.3. The MTFS assumes an additional inflation requirement both in respect of pay and other non-pay costs which are estimated to amount to £6.5m in 2023-24.

3.8. SAVINGS

- 3.8.1. The Council has previously approved savings to ensure that a balanced budget was in place for the MTFS three year period. However as part of 2020-23 budget setting the original budget assumptions were reviewed and updated, largely to take account of the revised analysis of demographic growth requirements and following a re-assessment of the expected deliverability and timescales for agreed savings. This resulted in the reprofiling of £5.4m of savings planned for the current financial year to be re-profiled into later financial years. This was mainly to allow for planned contractual efficiencies to be delivered in line with procurement timescales, greater commercialisation opportunities to be developed and information technology improvements to become embedded.
- 3.8.2. The Council have already approved savings totalling £13.5m (2021-22) and £7.1m (2022-23). However, with the large estimated current budget gap, there is a need to identify significant additional savings for the next 3 years and to ensure that in the light of CV-19 the agreed savings remaining deliverable.

3.9. Additional Short-term Funding Support

- 3.9.1. In recognition of the impact that the CV-19 pandemic has had, the government has provided short-term funding increases either in support of Local Authority Services or for targeted 'new responsibilities' or for Local Authorities to pass on to targeted groups. In total to date these have amounted to in excess of £200m although by far the largest amounts fall into the third category described above and are for business rate grants and reliefs. Table 2 below summarises the allocations for Tower Hamlets as at the end of June 2020.

- 3.9.2. The table excludes an additional amount of a £63m national fund for additional welfare support which has been announced but the individual allocation of which is awaited.

Table 4 – Additional Grant Funding received or expected.

£m	Description
97.8	Business Rates Relief
78.8	Business Rates Small Grants
4.4	Hardship Fund
0.5	Infection Control Fund
3.2	Test and Trace
23.5	COVID Support Grant
208.20	

- 3.9.3. The largest element of the short-term additional funding is in relation to business rate grants and reliefs; totalling c£176m. The details for the main components are set out below, although an allocation of up to 5% from the Small Grants funding can now also be used in support of a discretionary relief scheme.

Measure	Details	Approx. Financial Value
Extended Retail Relief	Relief of 100% for all qualifying retail, leisure and hospitality properties including public house.	£98m for identified Retail Relief cases
Small Business Grant	Businesses who qualify for Small Business Rate Relief (many of whom already have no rates liability) will now get a grant of £10k per property.	c£40m grant in addition to reductions to Business Rate bills of £8.9m
Retail Property Grant	The properties already identified as being in receipt of Retail Relief and having an RV below £51k will receive a grant payment of £25k.	c£41m grant in addition to reduction to Business Rate Bills of £1.6m

Measure	Details	Approx. Financial Value
Nursery Relief	Relief of 100% for all registered nurseries.	£627k for 39 businesses

- 3.9.4. A hardship fund of £4.4m has been allocated to the Council to enable the payment of up to £150 to reduce the Council tax liability for those working age claimants in receipt of Council tax reduction
- 3.9.5. Funding of £0.5m has been received to support Care Homes through an infection control fund.
- 3.9.6. £3.2m has been allocated to the Council in support of new duties in respect of test and trace within the borough and in support of delivering its Local Outbreak Plan.
- 3.9.7. A share of the £3.2Bn made available nationally to local government to use on an un-ringfenced basis in support of the additional costs experienced in relation to CV-19. The Tower Hamlets allocation has been received in 2 tranches totalling £19.4m.
- 3.9.8. As at the end of June 2020 the net additional estimated costs to be met from the COVID Support Grant of £23.5m totals £55.12m – a shortfall of c£32m. This comprises a combination of additional expenditure, loss of income from sales fees and charges and the impact on our funding from losses in Council tax and business rates.

3.10. CAPITAL

- 3.10.1. In September a revised Capital Programme will be presented to Cabinet taking into account the need to set a realistic and deliverable programme and avoid the significant over-programming and subsequent underspending against capital that has been a feature for several years. The revisions will also take into account the changes in priorities that become apparent following the CV-19 pandemic.
- 3.10.2. This will also allow a better assessment of the capital financing requirements and the consequent impact on the revenue budget and borrowing strategy.

3.11. TIMETABLE

- 3.11.1. A further report will be brought to the December Cabinet which will provide a detailed update of the financial planning assumptions underpinning the current MTFS and the outcome of the budget consultation with stakeholders.
- 3.11.2. In the January Cabinet report, Members will be presented with updated information relating to our assumptions for Council Tax and Business Rates and any impact those changes have on the MTFS, and asked to agree the 2021-22 Fees & Charges schedule.
- 3.11.3. The draft timetable for the budget setting process is as follows:

Activity	Date
Capital Strategy and Proposed Capital Programme	September – December 2020
Budget Gap and proposals to close	
Income generation strategies	
Impact of the Chancellor's Autumn Statement	
Impact of Fair Funding review updates	
Impact of changes to Business Rates	
Budget consultation	
Review of the MTFS following Local Government Financial Settlement	27 th January 2021 Cabinet
Agreement of Fees & Charges schedule	
Capital Strategy & Programme	
Agree final budget and setting of Council Tax	By 1 st March 2021 Full Council

3.12. BUDGET CONSULTATION AND SCRUTINY PROCESS 2021-24

- 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 Cabinet are asked to note that the Council's budget consultation will be carried out over the period October to November.
- 3.12.3. The scrutiny and consultation processes will recognise that developing proposals over a three year period means that business cases will be more fully developed for proposals in the earlier years but that others will continue to be developed later on. The on-going role of the Overview and Scrutiny Committee in scrutinising developed business cases and undertaking targeted reviews in a number of key areas identified by them is key to maintaining the rigour of budget scrutiny of the Medium Term Financial Strategy (MTFS).
- 3.12.4. In addition to the scrutiny of relevant revenue savings and investment proposals the O&S Committee will undertake similar scrutiny of capital programme proposals. They will also have an overview of the medium term financial proposals being considered for approval by the board of Tower Hamlets Homes (THH), including proposals for rent setting and medium term savings. Similarly, the budget strategy for the Dedicated

Schools Budget (DSB) which will be proposed for approval by the Cabinet, from the Schools Forum.

Activity	Date	Outcome
Budget Consultation	October to November 2020	Outcome reported to OSC, Cabinet and reflected in detailed budget proposals.
Budget and Policy Framework – Budget Scrutiny meeting	Dates to be confirmed for 2021 (the previous year these meetings took place on 13 January and 3 February 2020).	Review final Cabinet budget proposals and provide comments for consideration by Cabinet and Full Council.

4 EQUALITIES IMPLICATIONS

- 4.1 Strategic budget implications in respect of the Council's available funding and budget risks will tend to apply equally across all groups with protected characteristics or otherwise.
- 4.2 The HRA and DSG are ring-fenced funding allocations with prescriptions governing their use. In addition, several grants received by the Council can only be used in accordance with specified conditions.
- 4.3 The Council must maintain a Local Council Tax Reduction Scheme which will prescribe those individuals that can gain relief from the full cost of their Council Tax bill. Government legislation also preserves some historic protections for other groups such as those not of working age.
- 4.4 Individual budget proposals will also be subject to consultation which will consider specifically the impact on groups with protected characteristics and where appropriate put in place mitigation measures.

5 OTHER STATUTORY IMPLICATIONS

- 5.1 The Council is required to consider the value for money implications of its decisions and to secure best value in the provision of all its services. It is important that, in considering the budget, Members satisfy themselves that resources are allocated in accordance with priorities and that best value is achieved.
- 5.2 The preparation of the MTFS takes 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.

- 5.3 The sustainable action for a greener environment implications of individual proposals in the budget are set out in the papers relating to those proposals.
- 5.4 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 will be reported to Cabinet as the budget process develops. The Council will maintain a range of budget provision (contingency) earmarked reserves for specific risks and general reserves for unforeseen events and risks.
- 5.5 The crime and disorder implications of individual proposals in the budget are set out in the papers relating to those proposals.
- 5.6 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.

7 COMMENTS OF LEGAL SERVICES

- 7.1 The report updates the revised medium term financial strategy. This is a matter that informs the budget process and may be viewed as a related function. It is, in any event, consistent with sound financial management and the Council's obligation under section 151 of the Local Government Act 1972 for the Council to adopt and monitor a medium term financial strategy.
- 7.2 The report provides information about risks associated with the medium term financial strategy and the budget. This is, again, consistent with the Council's obligation under section 151 of the Local Government Act 1972 to make proper arrangements for the management of its financial affairs. It is also consistent with the Council's obligation under the Accounts and Audit Regulations 2015 to have a sound system of internal control which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk. The maintenance and consideration of information about risk, such as is provided in the report, is part of the way in which the Council fulfils this duty.
- 7.3 The Council is a best value authority within the meaning of section 1 of the Local Government Act 1999. As such the Council is required under section 3 of the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness (the best value duty) which includes a duty to consult. Having a medium term financial strategy therefore contributes to achieving this legal duty.

Linked Reports, Appendices and Background Documents

Linked Report

- None.

Appendices

- Appendix 1 - Budget Setting Indicative Timetable
- Appendix 2 - Summary MTFS Position 2021-24
- Appendix 3 - Existing Savings and Growth Summary 2020-23

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

- None

Officer contact details for documents:

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Shakil Rahman x1658

Budget Setting Indicative Timetable

Appendix 1

Date of Meeting	Meeting and Agenda
Wed 29 July 2020	CABINET MTFS Refresh & 2021-22 Budget Planning Report - Budget Setting Timetable - MTFS Summary - Existing Savings & Growth Summary 2020-23
Tue 11 August 2020	CLT MTFS Refresh & 2021-22 Budget Planning: - Develop New Savings Proposals - Identify New Growth Proposals
Tue 25 August 2020	CLT MTFS Refresh & 2021-22 Budget Planning: - Develop and Agree New Savings and Growth Proposals
Tue 08 September 2020	CLT MTFS Refresh & 2021-22 Budget Planning: - Develop and Agree New Savings and Growth Proposals
Sat 12 September 2020	Labour Group Away Day
Tue 15 September 2020	CLT MTFS Refresh & 2021-22 Budget Planning: - Capital Programme 2021-22 onwards - HRA Budget/ MTFP & Rent Setting 2021-22 - Fees & Charges 2021-22
Tue 22 September 2020	CLT MTFS Refresh & 2021-22 Budget Planning: - Capital Programme 2021-22 onwards - HRA Budget/ MTFP & Rent Setting 2021-22 - Fees & Charges 2021-22
Wed 23 September 2020	MAB MTFS Refresh & 2021-22 Budget Planning: - Review New Savings Proposals - Review New Growth Proposals / Manifesto Commitments / Inflation - Capital Programme 2021-22 onwards - Fees & Charges 2021-22 - HRA Budget/ MTFP & Rent Setting 2021-22
Tue 06 October 2020	CLT MTFS Refresh & 2021-22 Budget Planning: - Agree New Savings Proposals - Agree New Growth Proposals
Wed 21 October 2020	MAB MTFS Refresh & 2021-22 Budget Planning: - Agree New Savings Proposals - Agree New Growth Proposals
DATE TBC	Autumn Statement / Chancellor's Budget
Tue 03 November 2020	CLT MTFS Refresh & 2021-22 Budget Planning: - Finalise all Savings & Growth proposal proformas - Fees & Charges - HRA - including rent and service charge setting - Dedicated School's Budget - Capital
Wed 25 November 2020	MAB MTFS Refresh & 2021-22 Budget Planning: - Finalise all Savings & Growth proposal proformas - Fees & Charges - HRA - including rent and service charge setting - Dedicated School's Budget - Capital
Mon 30 November 2020	Labour Group Meeting

Budget Setting Indicative Timetable

Appendix 1

Date of Meeting	Meeting and Agenda
Tue 01 December 2020	CLT Budget Report 2021-22 and MTFS 2021-24 Fees & Charges Report 2021-22 Council Tax Base Report 2021-22 Budget Consultation Outcome (depends on consultation period)
DATE TBC	School's Forum
Mon 07 December 2020	Labour Group Meeting
Wed 09 December 2020	MAB Budget Report 2021-22 and MTFS 2021-24 Fees & Charges Report 2021-22 Council Tax Base Report 2021-22 Budget Consultation Outcome (depends on consultation period)
DATE TBC	Government Funding Settlement – specific details received
DATE TBC	O&S Feedback - Post budget consultation
Tue 15 December 2020	Labour Group Meeting (if necessary)
Wed 16 December 2020	CABINET Budget Consultation Outcome
DATE TBC	Final Local Government Funding Settlement – specific details received
DATE TBC	O&S- Budget Scrutiny Budget Report 2021-22 and MTFS 2021-24
Tue 05 January 2021	CLT Budget Report 2021-22 and MTFS 2021-24 Treasury Management Strategy Statement, Investment Strategy Report and Capital Strategy Report for 2021-22
Tue 12 January 2021	CLT Budget Report 2021-22 and MTFS 2021-24 Treasury Management Strategy Statement, Investment Strategy Report and Capital Strategy Report for 2021-22
Wed 13 January 2021	MAB Budget Report 2021-22 and MTFS 2021-24
Tue 19 January 2021	CLT Budget Report 2021-22 and MTFS 2021-24
Wed 27 January 2021	CABINET Budget Report 2021-22 and MTFS 2021-24 Fees & Charges Report 2021-22 Council Tax Base Report 2021-22
Thu 28 January 2021	Audit Committee Treasury Management Strategy Statement, Investment Strategy Report and Capital Strategy Report for 2021-22
DATE TBC	O&S- Budget Scrutiny Budget Report 2021-22 and MTFS 2021-24
Wed 24 February 2021	FULL COUNCIL- First Budget Meeting Budget Report 2021-22 and MTFS 2021-24 Treasury Management Strategy Statement, Investment Strategy Report and Capital Strategy Report for 2021-22
Thu 04 March 2021	FULL COUNCIL- Second Budget Meeting (reserve) Budget Report 2021-22 and MTFS 2021-24 Treasury Management Strategy Statement, Investment Strategy Report and Capital Strategy Report for 2021-22

2021-22	2022-23	2023-24
£'000	£'000	£'000

Net Service Costs	354,646	359,629	362,864
Growth			
- Previously approved by Full Council	(59)	3,309	-
- New	12,030	598	1,339
Inflation			
- Previously approved by Full Council	6,500	6,500	-
- New	-	-	6,500
Savings			
- Previously approved by Full Council	(13,488)	(7,172)	-
Total Funding Requirement	359,629	362,864	370,703

Core Grants			
- Revenue Support Grant	(34,501)	(35,191)	(35,895)
- New Homes Bonus	(9,992)	(3,812)	(0)
- Improved Better Care Fund	(16,316)	(16,642)	(16,975)
- Social Care Grant	(9,367)	(9,554)	(9,746)
- Public Health Grant	(35,899)	(36,617)	(37,350)
- Rough Sleeping Initiative	(636)	(649)	(662)
- Flexible Homelessness Support & Homelessness Reduction	(5,106)	(5,208)	(5,312)
Council Tax	(104,354)	(112,851)	(120,742)
Retained Business Rates	(134,327)	(115,992)	(118,227)
Council Tax Collection Fund Deficit	10,300	-	-
Council Tax Collection Fund Deficit funding from Reserves	(6,500)	-	-
Total Funding	(346,698)	(336,516)	(344,907)

Budget Gap (excluding use of Reserves)	12,931	26,348	25,796
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Savings to be identified	12,931	26,348	25,796
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Existing Savings and Growth Summary 2020-23

Appendix 3

Proposal Title	Reference	Financial Year Agreed	Directorate	2020-21 £000	2021-22 £000	2022-23 £000	Total £000
SAVINGS				(10,742)	(13,488)	(7,172)	(31,402)
Adoption Allowances	SAV / CHI 002/ 19-20	2019-20	Children & Culture	(50)	(50)	-	(100)
Community Language Service	SAV / CHI 006 / 19-20	2019-20	Children & Culture	(350)	(250)	-	(600)
Events In Parks - Income Generation	SAV/ CHI 01 / 18-19	2018-19	Children & Culture	(350)	-	-	(350)
Parent and Family Support Services (Traded Model)	SAV / CHI 005 / 19-20	2019-20	Children & Culture	(150)	-	-	(150)
Rationalisation and development of early help services from conception to age 25 in youth and commissioning	SAV / CHI 001 / 20-21	2020-21	Children & Culture	-	(512)		(512)
Savings and traded delivery of education and partnership services	SAV / CHI 002 / 20-21	2020-21	Children & Culture	-	(506)	(110)	(616)
Sharing Costs with CCG for Children With Disabilities	SAV / CHI 004 / 19-20	2019-20	Children & Culture	(600)	-	-	(600)
Sharing Costs with CCG for Children with Disabilities - Reprofilng of agreed savings (SAV/CHI 004/19-20)	SAV / CHI 008 / 20-21	2020-21	Children & Culture	500	(200)	(311)	(11)
Transformation of SEND transport commissioning	SAV / CHI 005 / 20-21	2020-21	Children & Culture	-	(500)	(500)	(1,000)
Transformation of service delivery following the youth service review	SAV / CHI 004 / 20-21	2020-21	Children & Culture	(50)	(450)		(500)
Transformation of service delivery provided by the integrated early years service	SAV / CHI 003 / 20-21	2020-21	Children & Culture	(494)		(406)	(900)
Accommodation and support for single homeless people	SAV / HAC 001 / 20-21	2020-21	Health, Adults & Community	-	(343)	(350)	(693)
Adult Social Care Transformation	SAV/ HAC 01 / 18-19	2018-19	Health, Adults & Community	(1,000)	-	-	(1,000)
Changes to the adult social care charging policy	SAV / HAC 003 / 20-21	2020-21	Health, Adults & Community	(132)	(132)		(264)
Efficiencies in Commissioned Services for Adult Social Care	SAV / HAC 001 / 19-20	2019-20	Health, Adults & Community	-	(1,000)	-	(1,000)
Integrated Commissioning Efficiencies	SAV / HAC 002 / 19-20	2019-20	Health, Adults & Community	(190)	-	-	(190)
Integration of Tower Hamlets short-term support services - rehabilitation and reablement	SAV / HAC 004 / 20-21	2020-21	Health, Adults & Community	-		(100)	(100)
Merging of the physical disability day opportunities service with the Riverside Day Service	SAV / HAC 002 / 20-21	2020-21	Health, Adults & Community	-	(316)		(316)
Promoting Independence and in Borough Care for Adults with Disabilities	SAV / HAC 003 / 19-20	2019-20	Health, Adults & Community	-	(700)	-	(700)
Technology-enabled care	SAV / HAC 005 / 20-21	2020-21	Health, Adults & Community	-		(100)	(100)
Deletion of dedicated business assurance function for Place Directorate	SAV / PLA 002 / 20-21	2020-21	Place	(56)			(56)
New Town Hall revenue savings	SAV / PLA 003 / 20-21	2020-21	Place	-		(225)	(225)
Pan-London Homelessness Prevention Procurement Hub ("Capital Letters")	SAV / PLA 003 / 19-20	2019-20	Place	(200)	-	-	(200)
Parking – Operational Changes and Policy Review	SAV / PLA 005 / 19-20	2019-20	Place	(500)	(329)	-	(829)
Property Asset Strategy	SAV / PLA 001 / 20-21	2020-21	Place	-	(1,000)		(1,000)
Reduction in Running costs/ Liability of Council Assets	SAV/ PLA 03 / 18-19	2018-19	Place	(100)	-	-	(100)
Review of Housing Delivery (THH/TH)	SAV/ PLA 02 / 18-19	2018-19	Place	(100)	-	-	(100)
Review of Parks	SAV/ PLA 05 / 18-19	2018-19	Place	(300)	-	-	(300)
Review of Parks - Reprofilng of agreed savings (SAV/PLA 05/18-19)	SAV / PLA 005 / 20-21	2020-21	Place	300		(300)	-
Street Lighting Efficiencies	SAV/ PLA 04 / 18-19	2018-19	Place	(180)	-	-	(180)
Street Lighting Efficiencies - Reprofilng of agreed savings (SAV/ PLA 04 / 18-19)	SAV / PLA 006 / 20-21	2020-21	Place	135	(135)	-	-
Waste Fleet Alternative Funding	SAV / PLA 006 / 19-20	2019-20	Place	(1,800)	-	-	(1,800)
Waste, Recycling & Street Cleansing Contract	SAV/ PLA 01 / 18-19	2018-19	Place	(200)	-	-	(200)
Legal services	SAV / GOV 001 / 20-21	2020-21	Governance	-	(100)	(200)	(300)
Modernisation of the Registration Service	SAV / GOV 002 / 20-21	2020-21	Governance	-	(40)		(40)
Benefits service – centralisation of assessments – service review and restructure	SAV / RES 002 / 20-21	2020-21	Resources	(600)	(100)	(100)	(800)
Finance Services – Process improvements & new Finance System Implementation - Reprofilng of agreed savings (SAV/ RES 06 / 18-19)	SAV / RES 004 / 20-21	2020-21	Resources	100	-	(100)	-
Finance Services – Process improvements and new Finance System Implementation	SAV/ RES 06 / 18-19	2018-19	Resources	(100)	-	-	(100)
HR Services - Additional Staffing Efficiencies	SAV/ RES 02 / 18-19	2018-19	Resources	(100)	-	-	(100)
ICT Savings	SAV/ RES 05 / 18-19	2018-19	Resources	(750)	-	-	(750)
ICT Savings - Reprofilng of agreed savings (SAV/ RES 05 / 18-19)	SAV / RES 003 / 20-21	2020-21	Resources	550	(550)		-
Improved Recovery of Housing Benefits Overpayments	SAV/ RES 01 / 18-19	2018-19	Resources	(500)	-	-	(500)
Improvements in Self Service and Digital uptake for Council Tax and Business Rates	SAV / RES 001 / 19-20	2019-20	Resources	-	(200)	-	(200)
Income Through Wi-Fi Concession Contract	SAV/ RES 07 / 18-19	2018-19	Resources	(300)	-	-	(300)
Internal Audit – Streamline Management and Explore Shared Service Options	SAV/ RES 03 / 18-19	2018-19	Resources	(50)	-	-	(50)

Existing Savings and Growth Summary 2020-23

Appendix 3

Proposal Title	Reference	Financial Year Agreed	Directorate	2020-21 £000	2021-22 £000	2022-23 £000	Total £000
Reduction in Funding for Discretionary Rates Relief	SAV / RES 002 / 19-20	2019-20	Resources	(220)	-	-	(220)
Revenue Services – Workforce efficiencies through greater self-service and automation	SAV/ RES 04 / 18-19	2018-19	Resources	(100)	-	-	(100)
Revenues - Cashiers - reduce cash and cheque handling and eliminate the need for cheque printing	SAV / RES 001 / 20-22	2020-21	Resources	(130)			(130)
Contract Management Efficiencies	SAV/ CORP 02 / 18-19	2018-19	Cross-Directorate	(4,250)	-	-	(4,250)
Mainstream Grants (MSG) Alternative Delivery Model	SAV / ALL 006 / 19-20	2019-20	Cross-Directorate	-	(330)	-	(330)
Contract Management Efficiencies - Reprofiting of agreed savings (SAV/CORP 02 / 18-19)	SAV / ALL 001 / 20-21	2020-21	Cross-Directorate	2,850	(900)	(1,950)	-
Greater Commercialisation - Reprofiting of agreed savings (SAV/ ALL 007 / 19-20)	SAV / ALL 002 / 20-21	2020-21	Cross-Directorate	1,000	1,000	(2,000)	-
Fees & Charges	SAV / ALL 003 / 20-21	2020-21	Cross-Directorate	(125)	(545)	(420)	(1,090)
Asset Management Service	SAV / ALL 005 / 19-20	2019-20	Cross-Directorate (PLA/CHI)	-	(500)	-	(500)
Phase 2 Local Presence - putting Digital First	SAV / ALL 001 / 19-20	2019-20	Cross-Directorate / Resources	-	(700)	-	(700)
Counter Fraud Initiatives	SAV / ALL 002 / 19-20	2019-20	Cross-Directorate / Resources	-	(100)	-	(100)
Contract Management	SAV / ALL 003 / 19-20	2019-20	Cross-Directorate / Resources	(500)	(1,000)	-	(1,500)
Reduction in Enabling and Support Services Costs	SAV / ALL 004 / 19-20	2019-20	Cross-Directorate / Resources	-	(1,500)	-	(1,500)
Greater Commercialisation	SAV / ALL 007 / 19-20	2019-20	Cross-Directorate / Resources	(1,000)	(1,500)	-	(2,500)
Income Through Housing Companies	SAV/ RES 08 / 18-19	2018-19	Corporate	(250)	-	-	(250)
THH - Potential support service Savings	SAV/ RES 09 / 18-19	2018-19	Corporate	(100)	-	-	(100)
Additional Local Presence Efficiencies	SAV/ RES 10 / 18-19	2018-19	Corporate	(300)	-	-	(300)
SAVINGS				(10,742)	(13,488)	(7,172)	(31,402)
GROWTH & INFLATION				22,828	6,441	9,809	39,078
Unavoidable Growth / Budget Pressure / Mayoral Priority							
Continuing to provide universal free school meals	MGRO ADU 2-17	2017-18	Children & Culture	(2,000)	(2,000)	-	(4,000)
Continuing to provide universal free school meals	MGRO ADU 2-17	2017-18	Children & Culture	2,000	-	-	2,000
Children's Centre commissioning of voluntary and community sector (VCS) organisations	MGRO CHI 2-17	2017-18	Children & Culture	(120)	-	-	(120)
Early Years Provision Victoria Park and St Hilda's Community Centre	MPG/ CHI 002/ 18-19	2018-19	Children & Culture	(31)	(31)	-	(62)
Early Years Provision Victoria Park and St Hilda's Community Centre	MPG/ CHI 002/ 18-19	2018-19	Children & Culture	31	-	-	31
Supporting Children's Services improvement	GRO / CHI 001 / 19-20	2019-20	Children & Culture	(911)	-	-	(911)
Universal Free School Meals	GRO / CHI 004 / 19-20	2019-20	Children & Culture	-	2,000	-	2,000
SEND Transport	GRO / CHI 005 / 19-20	2019-20	Children & Culture	(1,000)	-	-	(1,000)
Early Help	GRO / CHI 006 / 19-20	2019-20	Children & Culture	475	-	-	475
Social Work Academy	GRO / CHI 007 / 19-20	2019-20	Children & Culture	(600)	(400)	-	(1,000)
Community Safety, Violence, Exploitation and Serious Organised Crime	MPG / ALL 002 / 19-20	2019-20	Children & Culture	4	4	-	8
Children's social care post Ofsted	GRO / CHI 001 / 20-21	2020-21	Children & Culture	3,400	(400)	-	3,000
Children's social care – looked after children	GRO / CHI 002 / 20-21	2020-21	Children & Culture	1,262			1,262
SEND transport budget pressures and demographic growth	GRO / CHI 003 / 20-21	2020-21	Children & Culture	2,936			2,936
Demographic Pressures in Adult Social Care (Additional Growth)	GRO/ HAC 01 / 18-19	2018-19	Health, Adults & Community	3,499	-	-	3,499
Community Safety, ASB & Crime	MPG/ HAC 001 / 18-19	2018-19	Health, Adults & Community	(273)	(277)	-	(550)
ASB & Crime Neighbourhood Management	MPG/ HAC 001 / 18-19	2018-19	Health, Adults & Community	(200)	(200)	-	(400)
ASB & Crime Neighbourhood Management	MPG/ HAC 001 / 18-19	2018-19	Health, Adults & Community	200	-	-	200
Community Safety, ASB & Crime	MPG/ HAC 001 / 18-19	2018-19	Health, Adults & Community	277	-	-	277
Demographic Pressures in Adult Social Care - Clients	GRO / HAC 001 / 19-20	2019-20	Health, Adults & Community	-	4,085	-	4,085
Community Safety - Civil Protection, Emergency Planning and Resilience to Terrorism	GRO / HAC 002 / 19-20	2019-20	Health, Adults & Community	-	177	-	177
Community Safety, Violence, Exploitation and Serious Organised Crime	MPG / ALL 002 / 19-20	2019-20	Health, Adults & Community	-	113	-	113
Demographic pressures in adult social care	GRO / HAC 001 / 20-21	2020-21	Health, Adults & Community	-		4,770	4,770

Existing Savings and Growth Summary 2020-23

Appendix 3

Proposal Title	Reference	Financial Year Agreed	Directorate	2020-21 £000	2021-22 £000	2022-23 £000	Total £000
Incentivising better waste collection arrangements on housing estates	MGRO CLC 4-17	2017-18	Place	(250)	-	-	(250)
Introducing new off-street parking arrangements in our housing estates due to changes in national legislation	MGRO D&R 3-17	2017-18	Place	80	-	-	80
Tackling Poverty Fund - Tackling poverty in Tower Hamlets by creating a Welfare Support Scheme to support residents	MGRO RES 2-17	2017-18	Place	(1,667)	(1,667)	-	(3,334)
Tackling Poverty Fund - Tackling poverty in Tower Hamlets by creating a Welfare Support Scheme to support residents	MGRO RES 2-17	2017-18	Place	1,667	-	-	1,667
Waste Collection and Treatment (Additional Growth)	GRO/ PLA 01 / 18-19	2018-19	Place	365	-	-	365
Freedom Pass (Additional Growth)	GRO/ PLA 02 / 18-19	2018-19	Place	379	-	-	379
Public Realm Retenders	GRO/ PLA 04 / 18-19	2018-19	Place	(110)	(180)	-	(290)
Local Plan to 2018 Delivery Package	GRO/ PLA 05 / 18-19	2018-19	Place	(290)	-	-	(290)
Supporting Residents Over 50 Into Work	MPG/ PLA 001 / 18-19	2018-19	Place	(101)	-	-	(101)
Women in Health Extension	MPG/ PLA 002 / 18-19	2018-19	Place	(705)	-	-	(705)
Supporting young people realise their potential through the Mayor's Apprenticeship Fund	MPG/ PLA 003 / 18-19	2018-19	Place	(199)	(84)	-	(283)
Supporting young people realise their potential through the Mayor's Apprenticeship Fund	MPG/ PLA 003 / 18-19	2018-19	Place	84	-	-	84
Enabling Workless Parents to Move into Childcare Jobs	MPG/ PLA 004 / 18-19	2018-19	Place	(451)	(451)	-	(902)
Enabling Workless Parents to Move into Childcare Jobs	MPG/ PLA 004 / 18-19	2018-19	Place	451	-	-	451
Enhancing services to support people in overcoming the barriers to accessing skills and toward employment	MPG/ PLA 005 / 18-19	2018-19	Place	(226)	-	-	(226)
Watney Market Shop Front for 'Young WorkPath'	MPG/ PLA 006 / 18-19	2018-19	Place	(60)	(60)	-	(120)
Watney Market Shop Front for 'Young WorkPath'	MPG/ PLA 006 / 18-19	2018-19	Place	60	-	-	60
Air Quality Assistant	MPG/ PLA 008 / 18-19	2018-19	Place	(50)	(50)	-	(100)
Air Quality Assistant	MPG/ PLA 008 / 18-19	2018-19	Place	50	-	-	50
Bursary for Environmental Health Trainees	MPG/ PLA 009 / 18-19	2018-19	Place	(30)	(30)	-	(60)
Bursary for Environmental Health Trainees	MPG/ PLA 009 / 18-19	2018-19	Place	30	-	-	30
Waste Collection and Treatment	GRO / PLA 001 / 19-20	2019-20	Place	(199)	174	-	(25)
Freedom Pass	GRO / PLA 002 / 19-20	2019-20	Place	(61)	329	-	268
Environmental Health Out of Hours	GRO / PLA 006 / 19-20	2019-20	Place	(200)	-	-	(200)
Local Environmental Quality (LEQ) Team	GRO / PLA 007 / 19-20	2019-20	Place	(300)	-	-	(300)
Waste Service Mobilisation	GRO / PLA 008 / 19-20	2019-20	Place	(1,362)	(118)	-	(1,480)
Green Team	GRO / PLA003 / 19-20	2019-20	Place	-	(61)	-	(61)
Invest in Graffiti Removal	MPG / PLA 001 / 19-20	2019-20	Place	-	(450)	-	(450)
Regeneration Vision	MPG / PLA 002 / 19-20	2019-20	Place	(200)	(200)	-	(400)
Tackling Poverty Programme	MPG / PLA 003 / 19-20	2019-20	Place	-	700	-	700
In-sourcing of waste services (employee costs)	GRO / PLA 001 / 20-21	2020-21	Place	1,300			1,300
Academy Conversions	GRO/ GOV 001 / 18-19	2018-19	Governance	-	(100)	-	(100)
Local Community Fund Mitigation	GRO / GOV 001 / 20-21	2020-21	Governance	-	330		330
Heritage Collections Backlog	GRO/ RES 01 / 18-19	2018-19	Resources	-	(115)	-	(115)
Transitional Support to Manage Housing Benefit Admin Grant Reductions	GRO/ RES 02 / 18-19	2018-19	Resources	(300)	-	-	(300)
New Microsoft licenses for applications and servers	GRO / RES 001 / 20-21	2020-21	Resources	905			905
Budget management IT system improvement and necessary hosting	GRO / RES 002 / 20-21	2020-21	Resources	80			80

Core Grants

School Improvement Monitoring and Brokering Grant		2020-21	Children & Culture	(350)	-	-	(350)
Improved Better Care Fund		2020-21	Health, Adults & Community	2,388	-		2,388
Additional Improved Better Care Fund		2019-20	Health, Adults & Community	(2,074)	-	-	(2,074)
Winter Pressures		2019-20	Health, Adults & Community	(733)	-	-	(733)
Public Health Grant		2020-21	Health, Adults & Community	1,071	701	715	2,487
Local Lead Flood		2020-21	Place	(36)	-	-	(36)
Social Care Support Grant (one-off increase)		2020-21	Corporate	1,867	(1,867)	-	-

Existing Savings and Growth Summary 2020-23

Appendix 3

Proposal Title	Reference	Financial Year Agreed	Directorate	2020-21 £000	2021-22 £000	2022-23 £000	Total £000
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Planned Removal of Agreed Short-Term Growth

Tower Hamlets Education Partnership (THEP)	GRO / CHI 002 / 19-20	2020-21	Children & Culture	-	-	(250)	(250)
Universal Free School Meals	GRO / CHI 004 / 19-20	2020-21	Children & Culture	-	-	(2,000)	(2,000)


Unachievable Saving / Achievement of Income Target

SEND - Reversal of 2017-18 Agreed Saving (SAV/ CHI 005 / 17-18)	GRO / CHI 004 / 20-21	2020-21	Children & Culture	940			940
Early Years - Reversal of 2017-18 Agreed Saving (SAV/ CHI 003 / 17-18)	GRO / CHI 005 / 20-21	2020-21	Children & Culture	2,408			2,408
Pan-London Homelessness Prevention Procurement Hub (“Capital Letters”) (SAV / PLA 003 / 19-20)	GRO / PLA 002 / 20-21	2020-21	Place	200			200
Income Through Wi-Fi Concession Contract (SAV/ RES 07 / 18-19)	GRO / RES 003 / 20-21	2020-21	Resources	300			300
Budgeted increase in Council Tax Base (number of properties) - allocated against existing Debt Management & Income Optimisation saving	GRO / COP 001 / 20-21	2020-21	Corporate	974	69	74	1,117

Inflation

Winter Pressures		2019-20	Corporate	733	-	-	733
Contractual Inflation		2019-20	Corporate	3,400	3,400	-	6,800
Pay Spine Changes		2019-20	Corporate	1,000	-	-	1,000
Pay Inflation		2019-20	Corporate	3,100	3,100	-	6,200
Contractual Inflation		2020-21	Corporate	-	-	3,400	3,400
Pay Inflation		2020-21	Corporate	-	-	3,100	3,100

GROWTH & INFLATION				22,828	6,441	9,809	39,078
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<p style="text-align: center;">Cabinet</p> <p style="text-align: center;">29 July 2020</p>	 <p style="text-align: center;">TOWER HAMLETS</p>
<p>Report of Neville Murton, Corporate Director Resources</p>	<p>Classification: Unrestricted</p>
<p>Revenue and Capital Outturn 2019-20</p>	

Lead Member	Councillor Ronald, Cabinet Member for Resources and the Voluntary Sector
Originating Officer(s)	Tim Harlock – Chief Accountant
Wards affected	All wards
Key Decision?	No
Forward Plan Notice Published	30/06/2020
Reason for Key Decision	N/A
Strategic Plan Priority / Outcome	<p>1. People are aspirational, independent and have equal access to opportunities.</p> <p>2. A borough that our residents are proud of and love to live in.</p> <p>3. A dynamic outcomes-based Council using digital innovation and partnership working to respond to the changing needs of our borough.</p>

Executive Summary

This report presents the financial outturn for revenue and capital for 2019/20. It includes details about General Fund revenue, Dedicated Schools Grant (DSG), Housing Revenue Account (HRA), capital programme and progress made against savings targets.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Note the Council's provisional outturn position against General Fund, Dedicated Schools Budget, Housing Revenue Account and the Capital Programme for 2019-20, based on information as at early June 2020.
2. After taking consideration of the reduced level of General Fund reserves as presented, approve the drawdown of £11.7m from the New Home Bonus reserve into GF reserves, in order to maintain balances at £20m.
3. Note that there are no equalities implications directly resulting from this report, as set out in Section 4.

1 REASONS FOR THE DECISIONS

- 1.1 Council policy is to maintain General Fund reserves at a minimum level of £20m.

2 ALTERNATIVE OPTIONS

- 2.1 The regular reporting of Revenue and Capital Budget Monitoring information through the year and the preparation of the provisional outturn position after the year end provides detailed financial information to Members, senior officers and other interested parties on the financial performance of the Council. It sets out the key variances being reported by budget holders and the management action being implemented to address the identified issues.
- 2.2 Further information across the Council's key financial activities is also included to ensure that CLT and Members have a full picture to inform their consideration of any financial decisions set out in this report and also their broader understanding of the Council's financial context when considering reports at the various Council Committees.
- 2.3 Set alongside relevant performance information it also informs decision making to ensure that Members' priorities are delivered within the agreed budget provision.
- 2.4 It is important that issues are addressed to remain within the approved budget provision or where they cannot be contained by individual service management action, alternative proposals are developed and solutions proposed which address the financial impact; CLT and Members have a key role in approving such actions as they represent changes to the budget originally set and approved by them.

3 DETAILS OF THE REPORT

- 3.1 On 20 February 2019 the Council considered and agreed the Revenue Budget and Council Tax for 2019-20; and a capital programme showing resources available for investment in assets and infrastructure for ten years until 2028-29. The Council also agreed the Housing Revenue Account (HRA) budget from 2019-20 which includes rent setting and other charges.
- 3.2 The net budget requirement for 2019-20 was set at £342.5m. The MTFP budget for 2019-20 included a budgeted drawdown from General Fund reserves of £9.0m as well as delivering savings of £25.1m (£14.8m for 2019-20, and £10.3m slippage from previous years).
- 3.3 The provisional outturn position for General Fund revenue expenditure is £10.0m after the application of reserves of £6.5m, indicating that there is a significant underlying overspend.
- 3.4 Recovery plans to reduce this overspend have only met with partial success, and out of a target of £25.1m savings, £11m have been delivered.
- 3.5 With General Fund reserves starting the year with an opening balance of £27.3m, applying the overspend of £10m, and the budgeted drawdown from GF reserves of a further £9m, the closing position would be only £8.3m. The policy of the Council is to maintain GF reserves at £20m.
- 3.6 The Dedicated Schools Grant (DSG) is indicating a provisional overspend of £7.2m for 2019/20, and this follows a brought forward deficit of £4.5m from the previous year. The carry forward deficit is therefore £11.7m.
- 3.7 The Housing Revenue Account (HRA) is indicating an overspend of £0.8m after making a contribution to reserves of £4.6m.
- 3.8 The capital programme was reprofiled to a budget of £213.9m in January, with full year spend of £184.9m, resulting in an underspend against the annual budget of £29.0m. A proportion of this slippage was due to COVID-19.

4 EQUALITIES IMPLICATIONS

- 4.1 There are no equality implications directly resulting from this report.

5 OTHER STATUTORY IMPLICATIONS

- 5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:
- Best Value Implications,
 - Consultations,
 - Environmental (including air quality),

- Risk Management,
- Crime Reduction,
- Safeguarding.
- Data Protection / Privacy Impact Assessment.

5.2 There are no other statutory implications contained in this report.

6 COMMENTS OF THE CHIEF FINANCE OFFICER

6.1 The attached report is primarily financial in nature and the financial implications of the issues raised have been included in the main report.

7 Comments Of The Monitoring Officer

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 Council's chief finance officer has established financial procedures to ensure the Council's proper financial administration. These include procedures for budgetary control. It is consistent with these arrangements for Cabinet to receive information about the revenue and capital budgets as set out in this report.

7.2 The monitoring of financial information is also a significant contributor to meeting the Council's Best Value legal duty and therefore this report complies with that legal duty.

Linked Reports, Appendices and Background Documents

Linked Report

- NONE.

Appendices

- A1 Revenue and Capital Provisional Outturn 2019/20

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

- NONE.

Officer contact details for documents: N/A

Council Provisional Outturn Report

2019-20

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Circulated to	CLT
Date	9 th June 2020
Classification	Unrestricted
Report of	Corporate Director of Resources
Lead Member	CLlr Ronald, Cabinet Member for Resources and the Voluntary Sector
Originating Officer(s)	Tim Harlock, Chief Accountant
Wards affected	All Wards
Key Decision?	No

General Fund provisional overspend of £10.0m

Dedicated Schools Grant (DSG) provisional overspend of £7.2m

Housing Revenue Account (HRA) provisional overspend of £0.8m

2019-20 Provisional Outturn Variance			
£m	Estimated impact on General Fund GF/DSG/ HRA	Variance before reserve adjustments	Contribution to /(from) Reserves
Children & Culture (GF)	9.8	9.7	0.1
Extraordinary Health & Safety Item	2.0	2.0	-
Resources	-	2.2	(2.2)
HA&C	5.0	5.6	(0.6)
Place	(6.4)	(7.1)	0.7
Governance	-	0.8	(0.8)
Sub-total GF Services	10.4	13.2	(2.8)
Corporate and financing costs	(0.4)	3.3	(3.7)
General Fund	10.0	16.5	(6.5)
Ringfenced Items			
Dedicated Schools Grant	7.2	7.2	-
Public Health GF	-	0.7	(0.7)
HRA	0.8	(3.8)	4.6
Overall Position	17.5	20.1	(2.6)

Conventions: The use of brackets denotes either an income budget or a positive variance (underspend).

This report sets out the provisional outturn position for the Council, which remains subject to audit.

The current position is estimated to be a net **£10.4m** overspend on the General Fund service expenditure after the application of **£2.8m** from reserves; this reflects a change in approach from that during the year, with applicable ICT investment being capitalised, to reduce the impact on the Council's revenue reserves. It should be recognised that reserves are a finite resource and the significant overspend and use of reserves for other than planned transitional arrangements is unsustainable. The overspend position presented arises from a combination of changes in demographic demand, non-delivery of agreed savings, and some spend above approved budgets.

In the Dedicated Schools Budget there have been significant overspends in the High Needs and Early Years Blocks, with underspends in the Central Schools Services Block and Schools Block Central. The DSG deficit has grown by £7.2m to £11.7m. The local growth in SEND, which is not matched by growth in funding, is resulting in budget pressures that are reflected nationally.

The HRA balance is estimated to fall by £0.8m after setting aside £4.6m into an earmarked reserve to cover a potential liability in relation to Thames Water Charges which continues to be the subject of court action in London.

Provisional outturn variance £9.8m General Fund overspend

Additional £2.0m extraordinary item cost

DSG overspend of £7.2m

Provisional Outturn Variance			
£m	Estimated impact on General Fund (GF)	Variance before reserve adjustments	Contribution to /(from) Reserves
Children's and Culture (GF)	9.8	9.7	0.1

The general fund budget for Children and Culture was overspent by £9.7m before the net use of reserves of £0.6m and contribution to the PFI Smoothing reserve of £0.7m. The main overspends are as follows: Children's Social Care £3.5m, Education & Partnerships £0.9m, Youth Services & Commissioning £1.4m, Children's Resources £0.4m and Sports Leisure and Culture of £0.1m.

An 'extraordinary' cost item of £2.0m is also presented with the Children's and Culture Directorate figures; this reflects the need to create an estimated provision against a fine for Health and Safety breaches which the HSE has notified the Council will be made following the death of a child in Mile End Park in 2015.

Unachievable savings of £3.3m (Early Years £2.4m and SEND £0.9m) and slipped savings of £1.0m (Children's Social Care) are included in the overspend.

Children's Social Care Ofsted inspection received a 'Good' rating in July 2019 and work continues within the service to maintain the current standard and work towards an 'outstanding' rating. As part of the Continuous Improvement Plan Children's Social Care are also working to reduce the current reliance on Agency staff. The Children's Social Care Division has already entered into a contract with a recruitment agency for the recruitment of permanent Social Workers. Initial appointments have been made and the new staff will begin to take up posts in the next few months.

The local growth in SEND, which is not matched by growth in funding, is resulting in budget pressures that are reflected nationally. A range of measures have been put in place to reduce the spending against the general fund as well as the High Needs Funding Block element of the DSG which will show impact over time and actions are being scoped to reduce pressures in the short term. The DFE have announced there will be growth in 2021-22 which should help to reduce some of the pressures moving forward

Details of the significant variances on the General Fund are shown below.

	£m	Outturn variance commentary
1 Children's Social Care	3.5	
1a CSC - Staffing £2.4m		
Agency workers – pressure		Much work has been undertaken over the past 12 months to put in place arrangements to reduce the numbers of agency Social Workers and to recruit and retain our own staff. The launch of the Social Work Academy and our continuing work with regard to the recruitment of experienced staff have had a positive impact on ensuring that staff turn-over is much reduced.

However, the service now needs to move to a position where a greater proportion of the overall staff cohort is permanent. As previously stated, this process is underway and will continue throughout 20/21. The forecast pressure has increased by £0.2m to the position reported at Period 11. This is largely due to agency costs relating to 18/19 being posted into 19/20.

The service has been awarded Growth monies for 2020/21 of £4.06m (£1.0m for staffing, £1.8m for Placements and £1.26 for Demographic growth. This growth is expected to fully mitigate these pressures.

Savings to be delivered include £1.0m of slipped savings from 2019/20, £0.1m from contributions from Health and £0.05m from Adoption Allowance.

1b CSC - Looked After Children (LAC)

Placements £0.7m

Work continues to reduce high cost placements

The forecast pressure for Looked After Children is £0.7m. There has been a reduction of £0.3m in costs since 2018/19 outturn. This reflects the continuation of work to reduce demand for higher cost interventions.

1c CSC – Leaving Care
£0.04m

£1m one-off growth provided in 2018-19 has now ended. The effectiveness of the "Through Care" team is positive. There has been no change to the forecast pressure since P11. There is an ongoing pressure as a result of responsibilities for increases in UASC and change in legislation for LA responsibilities for up to age 25. In addition, responsibilities for providing accommodation for Dubbs Children.

1d CSC Section 17
£0.2

Section 17 spend supports preventing young people coming into care and the provision of placements. This is reducing the pressure that would otherwise be shown in placements.

1e CSC Children with Disabilities
£0.17m

This service has a pressure of £0.17m as a result of an overspend on Direct Payments and Family Support, driven by an increase in demand and an increase in provider costs.

2 Education and Partnerships

Service Pressure **£0.9m**

Savings Pressure **£0.9m**

This service area has a pressure of £1.8m which includes unachievable savings of £0.9m. This saving has been reversed in 2020/21 and growth provided to manage the pressure. Savings are planned to be delivered in 2021/22 and 2022/23 of £0.5m in each year.

The forecast pressure is an improvement of £1.0m from the position reported at p11, as a result of the pressure on the Careers service moving to the Place Directorate; underspend of £0.7m in the Support for Learning Service mainly as a result of accruals received in 2019/20 related to 2018/19; underspend in the Parental Engagement service of £0.423m due to the unused Mayors Fund for holiday childcare amounting to £0.364m; over achievement of income in the Educational Psychologists SLA of £0.290m. However, it should be noted that this relates to services that are delivered for an academic year. These underspends are mitigating pressures School Governance (£0.09m), Schools Library Service (£0.11m) and the main area of pressure in SEND Transport (£2.2m).

2a Special Educational Needs - £2.2

Continued increase of transportation costs. .

This is an ongoing pressure in this area, which has seen a further increase of £0.3m on the position reported as at Period 11. This increase was as a result of an increase in internal recharges of £0.1m and £0.2m from external transport contracts.

Grant Thornton were commissioned to undertake a comprehensive review of this area in order to understand the reasons for the overspend and to recommend actions to address. Their report highlights there is no annual review to take account of demand, but alongside this during 2018-19 a retendering process resulted in an additional circa £0.8 pressure rather than the predicted saving. Initial recommendations from GT have been discussed with elected members prior to moving forward on a final action plan to

		reduce cost. The consultation on the proposed changes to the council's policy on travel assistance for those with special educational needs and disabilities (SEND) has been completed and will be shared with MAB, prior to a proposed new council wide travel assistance policy to be considered by Cabinet later in the year. The impact of Covid 19 and TfL's proposal to cease all free travel for under 18s from September 2020 on the savings are being considered and will impact on the ability to make cost reductions
Early Years Unachievable Savings	2.4m	The historical EY £2.4m saving was based on a flawed business case and levied against services funded by DSG. These savings have been written back in the 2020-21 MTFS.
Contract Services Full review of service	1.95m	There has been an increase in pressure of £0.35m from the reported position as at Period 11. This is due to late receipt of invoices, increase in staffing costs and reduced level of income. Options for the future delivery of Contract Services were presented to Cabinet in February 2019. The options included recommendations intended to reduce pressures on the budget for this service, including withdrawal of Secondary school catering, withdrawal from schools' contract cleaning, a review of adults' welfare meals, and a review of primary schools SLAs. All recommendations were accepted by Cabinet; and an action plan is now in place to reduce pressures. However, the action plan had a phased impact during 2019-20 with the closure of welfare meals being delivered in February 2020; and the impact of changes to catering SLA's only having part year effect. The other recommendations agreed by Cabinet in February 2010 will continue to be implemented during 2020-21.
Youth Service	0.1	This 2019/20 pressure has arisen due to, amongst other things, the one-off expenditure during the financial year on consultants to support the delivery of savings of £0.5m by the end of March 2022.
Youth Offending Service	0.1	This service is reporting a pressure due to grant monies set aside for 19/20 used in 18/19.
Commissioned Services	0.1	In 2019/20 pressure arose due to unbudgeted posts being maintained within the current structure. However, this area is subject to a proposal to restructure and centralise this function.
Children's Centres	(0.7)	Children's Centres are reporting an underspend as part of the planned early delivery of savings.
Early Help	(0.3)	This service is reporting an underspend of £0.3m driven by an underspend in staffing and an increase in Payment by Results (PBR) income.
Free School Meals	0.0	The Mayors Free School Meal Programme now has an agreed Memorandum of Understanding (MoU) between LBTH and Primary schools, which sets conditions for the programme. This has reduced a £0.5m pressure in 2018/19 to a balanced position for 2019-20.
Sports Leisure & Culture	0.1	This service is forecasting a net pressure of £0.1m. There is a gross pressure of £0.223m within Sports and Physical Activity mainly due to the gym refresh at Poplar baths and work at Mile End Park, with income generated of £0.1m, bringing the net pressure to £0.133m. The Community Language Service is reporting gross salaries pressure of £0.060m (£0.056m after allowing for income generated). This pressure has been further supported from events income of £0.083m
Building and Technical services	0.3	This service is reporting a salaries pressure of £0.15m and security and NNDR pressure for vacant buildings of £0.15m.

Premature Retirement and Redundancy Costs	0.1	This pressure is mainly driven by LA school employee redundancies.
The Dedicated Schools Grant (DSG)		The key impact on the DSG is the significant overspend in the High Needs Funding Block element of £7.9m and an overspend on early years of £0.8m, offset by underspends within the Schools Block Central (£1.07m) and the Central School Services Block (£0.97m). The actions being taken to address the High Need overspend are outlined below.
High Needs Block (HNB) Cumulative total with brought forward balance £12.047m	6.4	<p>A report is being presented to Schools Forum and if the proposals set out in this paper are agreed the HNB deficit will be reduced to £6.380m to add to the brought forward balance of £5.667m giving a cumulative total of £12.047m</p> <p>The Council have met with the DfE and presented a recovery plan to manage the overspend on the High Needs Funding Block (HNFB) and how it will be addressed over the period 2019 – 2022. The actions include:</p> <ul style="list-style-type: none"> - significantly reducing the funding retained by LBTH to deliver support services, - reducing the demand for centrally retained funding for Alternative Provision, - reducing the rate of increase in EHC plan numbers, - a reduction across all school top-up payments. <p>Covid 19 has had an impact as the proposed restructure of the Support for Learning Service has been unable to progress and so there will be no reduction on the retained element of the grant during this financial year.</p>
Early Years Block	0.8	The overspend on this block is due to funding being received from the Education and Skills Funding Agency (ESFA) based 5/12ths on the January 2019 and 7/12ths on the January 2020 headcounts and censuses. The pattern of provision during the financial year is likely to differ from the numbers recorded in the census and so funding gaps may arise.

Provisional outturn of break-even position, after reserves drawdown

£m	Provisional Outturn Variance		
	Estimated impact on General Fund (GF)	Variance before reserve adjustments	Contribution to /(from) Reserves
Resources	0.0	2.2	(2.2)

The Resources directorate is forecasting a break-even outturn position, following the drawdown of £2.2m from reserves. The reserves drawdown consists of £1.6m from the ICT Transformation Reserve, £0.4m for Human Resources and £0.2m for the Finance Improvement Team from the Transformation Reserve.

Details of the areas of overspending and mitigations are summarised below.

£m	Outturn variance commentary	
Business Support Phase 2 review slippage	1.1	The overspend relates to savings slippage which will be actioned in Phase 2 of the business support review (including historical social care administration saving of £0.3m).
Customer Access Savings slippage	1.0	The majority of this relates to Customer Access model savings slippage of £0.9m, which has now been implemented to achieve this saving in 2020-21.
Benefits Service One-off mitigation of costs above grant level.	0.9	Recurrent overspend from extra housing rental costs funded by the Council above housing benefit subsidy level of government grant (£4.6m). This recurrent pressure was offset by a one-off credit from reduction in bad debt provision for housing benefits overpayments debt (£1.5m) and the one-off write back of credit balances (£2.2m).
Human Resources Phase 2 review slippage	0.8	Savings slippage on phase 2 of the HR review of £0.7m, partially mitigated by holding temporary vacancies and reducing non-pay expenditure (£0.3m). Further £0.4m of staffing cost relates to extra work on the Tower Rewards new terms and conditions and is funded through transformation reserves.
Information Technology	0.3	ICT infrastructure improvement costs that were not applicable for capitalisation have been funded by a drawdown from the ICT transformation reserve (£1.6m). The underspend of £1.3m after reserves drawdown is due to capitalisation of costs and efficiencies in contracted services.
Programme Office	(0.7)	Transformation budget underspend in third party payments.
Finance, Procurement and Audit	(1.2)	Underspend due to one-off release of £1m from the Insurance Fund provision; and funding for the Finance Improvement Team of £0.2m drawn down from transformation reserves.

Provisional outturn £5.0m overspend on the General Fund after reserve drawdown

Public Health breakeven position after reserve drawdown

£m	Provisional Outturn Variance		
	Estimated impact on General Fund (GF)	Variance before reserve adjustments	Contribution to / (from) Reserves
HA&C	5.0	5.6	(0.6)
Public Health	-	0.7	(0.7)

The Health, Adults and Community directorate provisional outturn for 2019-20 is for a £5.0m overspend on the general fund after use of earmarked reserves. This overspend is a slight reduction in the forecast reported at Period 11.

There has been a drawdown of £0.7m from the Public Health reserve to enable the funding of £1m of Adult Social Care preventative services.

The 2019-20 budgets included £3.4m of savings, including £0.7m of savings from prior years. The directorate has achieved £2.5m (76%) of these savings in 2019-20. The main area of slippage is in learning disability services (Supporting Independence programme). 100% of these savings remain achievable and work will continue to deliver this slippage in 2020-21 alongside savings additionally agreed in the MTFS.

Difficulties with outstanding invoices and accruals for home care services at the end of 2018/19 affected both the previous year end position and the forecast for 19/20. Work to resolve these issues has taken a considerable amount of time and the IT system to support electronic home care monitoring ceased being used following many attempts to achieve effective operation.

A recovery plan was put in place and there were further reductions in use of agency spend and the identification of areas of preventative spend which could be met from alternative sources however it was not possible to significantly reduce the pressures on care packages and a revised recovery plan is in place and continues to be expanded.

(in numerical descending order)	£m	Outturn variance commentary
Adult Social Care and Integrated Commissioning An overspend due to demand for residential and community-based care services for disabled, mental health and older people.	5.3	<p>The outturn variance is a £5.3m overspend against a net budget of £101.3m (5.2%).</p> <p>The overspend is caused by pressures in both residential/nursing placements and community based services supporting service users in their own homes, creating a net £8.1m overspend on care packages. Costs of new clients are generally higher than that of clients whose packages have ended, creating pressure on the budget. The council currently supports 608 people in residential and nursing care settings and purchases approximately 29,000 hours of homecare per week. These overspends are a continuation of the pressures seen and reported in the 2018-19 Outturn report. Similar pressures in adult social care budgets are reported by authorities nationally.</p> <p>There has been a £1.2m over achievement of client contribution income compared to budget, which is in-line with income achieved in the previous financial year. Alongside this the bad debt provision for community based charging has been increased by £0.6m, to reflect the growth in uncollected</p>

income from clients. The service has also received £1.3m of S117 income, £0.2m more than budgeted for. These over achievements are partially offset by a £0.7m under recovery of Continuing Health Care and Joint Funding income compared to budget, which has been a continuing trend over the last 3 years.

There is a £0.4m overspend on core staffing expenditure. This is due to the use of agency staff who cost more than the budget set for the vacant posts they are covering, and the recruitment of a small number of roles additional to the establishment budgeted for to support the Brokerage function.

Public Health grant has been used to fund £0.3m of preventative costs in relation to Adult Social Care in-line with the conditions of the grant. It is expected this funding will continue in 2020-21. In addition Public Health grant of £0.7m has been used to fund adults' preventative services contracts that sit within this division (Local Link and LinkAge Plus). This use of the grant was not budgeted for within the division.

There is a £0.5m under spend on BCF schemes where expenditure linked to the schemes sits within the Adult Social Care service.

A £0.2m under spend on the Tenant Activity Pot (TAP) following a reduced level of usage compared to the level budgeted for.

A £0.2m contingency budget created through non-pay efficiencies to support an MTFS saving in 2020-21 was not used this year, further supporting the under spend.

The delay in proceeding with the carers support service procurement has resulted in a £0.1m under spend.

Community Safety

An underspend due to delays in police deployment of officers

- (0.3) The forecast outturn variance is a £0.3m under spend against a net budget of £6.4m. This is after the allocation of £0.6m funding for the Partnership Task Force.

The majority of the under spend is in relation to the general fund element of the Partnership Task Force (PTF) (£0.2m), due to delays in police deployment of officers. There are now 2 sergeants and 20 constables in place, however this is still 2 sergeants less than the original agreement. Total expenditure for the year was £0.6m.

A £0.2m under spend is reported within the remaining elements of the Safer Neighbourhoods service. This is a result of a £0.7m under spend on staffing vacancies and growth monies not being utilised in the financial year, partially offset by a £0.5m overspend on expenditure for the provision of the CCTV service within the council.

Public Health

Breakeven position after £0.7m drawdown from the Public Health contingency reserve

- The Public Health grant has overspent by £0.7m in 2019-20, which will result in a drawdown of £0.7m from the Public Health contingency reserve to bring the service back to a breakeven position. This drawdown results in a £1m balance remaining in the contingency reserve for future years.

The base outturn position for planned Public Health activities in 2019-20 is a £0.3m under spend against a grant of £34.1m. The under spend is predominantly a result of delays in the procurement of the Tier 1 and Tier 2 Weight Management contracts at the end of the financial year, which have resulted in a £0.3m under spend.

The decision was taken to use £1m of the Public Health grant to fund preventative services for Adults provided by the council, which until now have been funded by the general fund. As the base position for Public Health was a £0.3m under spend, an additional £0.7m of grant has been drawn down from the Public Health contingency reserve to cover the £1m recharge. It is anticipated this recharge will be maintained in 2020-21.

Provisional outturn variance £6.4m underspend on the General Fund

Provisional Outturn Variance			
£m	Estimated impact on General Fund (GF)	Variance before reserve adjustments	Contribution to /(from) Reserves
Place	(6.4)	(7.1)	0.7

The Place Directorate has a provisional outturn position of £6.4m underspent against budget after reserve movements. There are a number of under and overspends within the Directorate that are contributing to this variance position. Underspends within Public Realm, Housing, Growth & Economic Development and Planning are being offset by pressures within Corporate Property.

Slipped savings of £0.8m relating to the appropriation of commercial property and £0.3m within housing are included within the underspend position.

(in numerical descending order)	Variance £m	Outturn variance commentary
Corporate Property & Capital Delivery Reduction in income from occupation of Jack Dash House; costs of accommodation recharges; Business rate costs on council owned properties; Non-Delivery of saving proposals relating to commercial shops; write-off of historic costs relating to BATS team invoices; Recovery of costs relating to Architects	1.7	<p>Corporate Property & Capital Delivery has a provisional overspend of £1.8m. There are a number of factors contributing to this overspend that are detailed below.</p> <p><u>Administrative Buildings (£0.9m overspend)</u></p> <p>A pressure of £1.3m resulting from loss of rent following Tower Hamlets Homes move from Jack Dash House in July 2018. This budgetary pressure will continue until a new tenant is secured or the property is put to a different use or disposed of. The building will require capital investment to bring it to a marketable standard should a decision be taken to rent it out.</p> <p>A £0.1m overspend from the use of agency staff within facilities management. This has now been reduced and permanent recruitment to posts is under way</p> <p>These overspends are being offset by an underspend of £0.1m relating to Town Hall revenue budget, where the majority of costs now incurred are of a capital nature.</p> <p>An underspend against postal costs of £0.2m where new ways of working are reducing the volumes of postage</p> <p>Unbudgeted income arrears relating to the Montefiore Centre have been recovered in year, resulting in a £0.1m underspend.</p> <p><u>Building & Technical Services (£0.4m Overspend)</u></p> <p>Historic balances relating to schools' invoices have been written off at year end as unrecoverable on the basis that the supporting information was either not held or insufficiently detailed to support further challenge with the relevant schools. There was no way of verifying which invoices had been paid and those that remained outstanding, so a decision was taken to write off the balances, resulting in a £0.2m cost pressure.</p> <p>The service has needed to use a significant number of temporary staff during the year which has resulted in an overspend of £0.1m against the establishment budget. The service is in the process of recruiting permanent team members</p>

which should mitigate this pressure in future years.

The Architects team recharge their costs on a cost-plus basis. However, the income target assigned to the team was not achieved as a result of the capital programme being in abeyance and little scheme development. This has resulted in an under achievement of income of £0.1m against budget.

Corporate Landlord Model (£0.6m overspend)

Income received relating to rents for sites managed within the corporate landlord model over-recovered by £0.1m.

Energy recharges for properties managed with the corporate landlord model are £0.2m lower than budgeted.

Business Rate expenditure on Council owned property exceeded budget by £0.1m. This results from inflationary increases to the rateable values not being reflected in the budget and properties being vacant against which a business rate charge is incurred.

A £0.8m overspend relating to the Appropriation of HRA shops to the general fund. This saving proposal will not deliver the required saving based on current assumptions and as a result the appropriation has not taken place.

Corporate Property (£0.3m underspend)

The recharge of staff time to the HRA is greater than budgeted and after being offset by a higher than budgeted use of agency staff has resulted in a £0.2m underspend.

There is a projected underspend of £0.1m relating to the part year staff cost relating to a Divisional Director post.

Capital Delivery (£0.1m overspend)

Capital Delivery is £0.1m overspent following the write off of historic accruals where the income will not be realised.

Resources

No liability for Kemnal Park moving forwards;
Redundancy and recruitment costs for Corporate Director post

0.1

The Council is finalising a deal with Green Acres that will mean it is no longer liable for purchasing plots or for the annual fee of £0.2m for the management and maintenance of the site at Kemnal Park Multi-Faith Cemetery. The council has received its final invoice and will underspend against budget by £0.1m

Unbudgeted costs relating to the redundancy payment for the previous Corporate Director and the recruitment of the new Director have been incurred in year, resulting in an overspend of £0.2m.

Planning & Building Control

Fees income in relation to Planning and street naming; vacant posts; Additional CIL admin income; Planning appeal relating to West Ferry Printworks; Correction of historic income error

(0.9)

There are a number of positive and adverse variances making up the Planning & Building Control outturn variance of £0.9m underspend. Details of the material variances are outlined below.

Planning

Income relating to planning has exceeded budget by £0.2m. Income is over achieving within Development Management where several large planning fees have been realised and also within the Street Naming & Numbering service where demand has been greater than budget.

The Council has received significant amounts of CIL and s106 income during the year and as a result there is additional CIL administration money available for use. There is an existing budgeted agreement to fund specific posts and activities from both Tower Hamlets and Mayoral CIL admin income and after doing this there is £1.3m surplus which has been utilised within the service to

offset other legitimate revenue costs, reducing the pressure on the General Fund.

The Planning Service has been carrying a significant number of vacancies throughout the year, with recruitment of new staff and retention of existing employees proving difficult in the current market and is resulting in an underspend of £0.9m against budget.

These underspends are being partly offset by one off legal fees and costs of £0.4m relating to an appeal following refusal of a planning application for the Westferry Printworks site. LBTH has required significant specialist Counsel representation due to the technical and accelerated nature of the appeal.

A one-off legacy income error has been corrected in year where £0.8m of s106 income was incorrectly charged to planning fees in 2016/17.

There are a number of legacy income budgets across the Directorate which are unachievable, resulting in a budget pressure of £0.3m

Building Control Trading Account

The Building Control Trading Account is projecting to underspend by £0.1m. This underspend relates to vacant posts within the service of £0.2m, being offset by a shortfall in the income received when compared to budget as a result of competition from the private sector. This underspend has been transferred to the building control trading account reserve at year end.

Growth & Economic Development

Additional costs from delays to restructuring being offset by additional funding; reduced use of apprenticeship scheme

(0.2) The Growth & Economic Development division is forecasting to outturn with an underspend of £0.2m. Details of this underspend are outlined below

Economic Development (Nil Variance)

The Growth and Economic Development restructure was implemented on 1 July 2019. The budget is based on the new structure coming into effect for the whole year and as a result the delays in implementation have resulted in additional cost and overspend.

The impact of the delay on the General Fund has been mitigated by underspend on vacant posts within the new structure. There has also been lower than budgeted spend on the apprenticeship, childcare and women into health programmes that are funded by either S106 or Mayoral Priority Growth (MPG). Any underspend on MPG will be returned to the balance sheet and a decision will need to be made if this available to be used by the Service next year.

As a result, Economic Development is projected to outturn in line with budget, utilising approved s106 funding and mayoral growth monies as planned in the base budget.

Careers Service (£0.1m overspend)

The Careers service has overspent as a result of a restructure savings proposal that did not deliver the agreed saving as a result of high levels of long-term sickness within the team and the need to backfill these posts with Agency staff at greater cost. This overspend has been partially funded from a combination of s106 monies relating to employer engagement and Mayoral Priority Growth money relating to the career's cohort, both of which fit the demographic of the careers service.

PAS Scheme (£0.3m Underspend)

There is an underspend of £0.3m relating to the apprenticeship scheme. This scheme placed local people in apprenticeship placements outside of the Council and the Council made a contribution to the cost. This represents an area for priority review in 2020/21.

Public Realm

Over achievement of parking income from bay suspensions and permits; Reduced commercial waste income; Vacancies in Environmental Services; Improved waste disposal position; savings and income maximisation within traffic & highways management; Unspent growth

(5.0) Parking Control (£0.8m underspend)

The Parking service is projected to underspend against the original budget by £2.3m. This underspend results from a combination of cost savings and over achievement of income targets, details of which are outlined below.

During the year, budgeted income targets were increased by £1.5m with the service contributing to a Corporate savings target for the maximisation of income. The Parking service has delivered this additional saving plus a further £0.8m underspend on top of it.

This underspend relates to a number of factors:

The Parking Business Unit is underspent by £0.1m. One off budgets were created in 2019/20 for development costs associated with the WSP system and were not utilised in full

The Parking Enforcement service has underspent by £1m against budget. Vacant post savings are being partially offset by a reduction in income where 8,000 fewer tickets were issued than in the previous financial year. Recruitment has commenced to fill these posts which will result in more tickets being issued.

LBTH has introduced night-time enforcement which has resulted in additional income when compared with budget. There has been a dramatic increase in the demand for bay suspensions, with over 4,000 during the year and the additional income generated contributing significantly towards this underspend. This increase is a result of more developments within the Borough.

The on-street parking service is forecasting to underspend by £0.4m as a result of casual parking where increased numbers of visitors have parked in the Borough.

There is an over-recovery of income totalling £0.1m within the Appeals service following the introduction of an additional camera at Wapping Street.

The Parking Development team is overspent by £0.1m as a result of consultancy work to undertake surveys of the borough to ensure the correct signage was in place and that the Traffic Management Orders were correct. The outcome of this survey can be accessed online by motorists to identify up to date parking restrictions and where parking bays change, for example from disabled to residential.

The permits budget is overspending by 0.6m from additional resourcing requirements to assist with the new online application process. A large number of temporary permits have been issued at nil cost, a one-off occurrence attributed to issues implementing the new parking back office system. The number of permit renewals has reduced over the past year and a new system for purchasing visitor scratch cards has resulted in less income being received (previously visitors had to buy a book of scratch cards, but they are now sold individually)

Removals are forecasting to overspend by £0.1m, resulting from reduced income from fines and the requirement to use an additional truck for persistent

offenders. Work with the contractor is ongoing to improve performance.

Concessionary Fares (£0.2m Underspend)

The mobility support service is forecasting to underspend by £0.2m, with the contribution towards the cost of Taxi Cards being less than budgeted. This is a demand led budget, with little ability for the Council to control or reduce costs.

Street Trading Account (Nil Variance)

The Markets service has overspent by £0.4m. This overspend is caused by reduced income primarily at Petticoat Lane, Roman Road and Whitechapel Road markets where the number of permanent traders is reducing (£0.4m). Staffing costs and unbudgeted revenue costs resulting from the implementation of the PSI (combined £0.1m overspend). This overspend is being partly mitigated by additional income derived in other markets from increased numbers of casual traders and new services, for example a food market at Brick Lane.

The Markets service is run as a trading account and should therefore be self-sufficient and not impact on the General Fund. The net deficit of £0.2m is being transferred to an earmarked reserve to this end.

It is anticipated a new system to manage payments and allocation of pitches will provide the Council additional data which will be used to analyse the financial performance of individual markets and improve financial performance in future years.

Environmental & Regulatory Services (£0.4m underspend)

The Environment & Regulatory Service has underspent by £0.4m. This is primarily the result of vacant posts within the Out of Hours Noise service, pest control, traveller's liaison, licensing administration and food safety services. The posts have been very difficult to fill and staff retention is a problem within this area.

Additional income from Landlord Licensing, HMO (House in Multiple Occupation) and Late-Night Levy licenses are being profiled to be allocated over the life of each licence issued. Income is received up front and drawn down over the license period for which it is valid to cover costs incurred. No variance is forecast.

Public Realm Management & Administration (£1.3m underspend)

There is a £0.2m underspend within Public Realm Management following a restructure and vacancies within the management structure and a further £0.2m of vacancies within the Service Development team

The outsourced waste collection and Trade Waste services have been brought back in-house in 2020/21. One-off funding was approved through growth bids to fund the cost of implementation, resulting in a £1.8m budget in 2019/20. This budget was not spent in full during the year, with planned work on staff inductions and service consumables slipping into the next financial year. This has resulted in an underspend of £0.9m against budget.

Operational Services (£1.1m underspend)

Waste Collection service has underspend by £0.3m. This results from contract costs that have been reclaimed from Veolia as a result of non-delivery of service due to strike action and from inflationary increases to the contract budgets exceeding the actual uplift.

The retendering of the waste disposal contract has resulted in a reduced budget provision of £1m. This saving has been delivered and a further underspend of

£1m has resulted from further reductions in waste tonnages and additional income from rebates for recyclable materials.

Unbudgeted income has been received from Veolia for building rental in addition to a reduction in expected inflationary increases, resulting in the recycling service underspending by £0.1m.

The Contracts Development Team underspent by £0.2m which forms part of a historic growth bid. Mayoral growth of £0.450m for graffiti removal has not been spent in year and paid back to reserves, therefore having no impact on the outturn position. Extra graffiti removal was carried out within existing budgets, with minimal use of growth funding. A reduced level of growth funding is expected to support extra graffiti removal in 2020/21.

The Green Team has underspent by £0.2m against budget as a result of vacancies.

Commercial Waste income is overspent by £0.6m when compared to budget. This results from loss of customers due to external competition. The service has now been in-sourced and an aggressive marketing campaign will be undertaken in an attempt to increase the portfolio and mitigate this pressure in future years. A further £0.2m pressure has resulted from topping up the bad debt provision to reflect the outstanding debt levels and age of this debt

Riverside walk has overspent by £0.1m. There is a historical income target relating to the Travelodge site. The site was sold and a capital receipt realised. However, the site was generating an income and this lost income is resulting in a pressure.

Highways and Traffic Management (£1.7m underspend)

The Engineering Group charges design and implementation fees to highways and traffic related capital projects. Fees charged in respect of the capital Footway and Carriageway Programme have contributed to the over achievement of income by £0.6m.

Over achievement of fees related to Street works, including permits and traffic management orders are contributing to a further £0.4m underspend in this area.

The public lighting service is underspent by £0.2m as a result of lower than anticipated repairs and maintenance costs during the year.

The scope of works undertaken in year for street scene enhancements is £0.4m lower than budgeted.

The street care service has underspent by £0.2m against budget. This result from a combination of staffing vacancies and an over recovery of income due to the buoyant market. The income target in 2020/21 has been increased to reflect this.

Piped Subways service has overspent by £0.1m as a result of debtor accruals raised in the previous financial year not being matched off by income. There is no evidence to suggest that the income is due and so the amounts cannot be accrued in 2019/20.

Fleet (£0.5m Overspend)

The Fleet service has overspent by £0.5m against budget. This is the result of additional unbudgeted costs relating to an ageing fleet of vehicles, the use of agency staff during the year and the cost of running additional routes. These

costs are not being recharged to the internal client services.

**Housing &
Regeneration**

Slippage of savings
proposal through
improved utilisation of I.T.
Over recovery of income
relating to T.A.
acquisitions; Over
recovery of income
relating to lettings service

(2.1) Homelessness (£2m Underspent)

The Homelessness and Temporary Accommodation services are forecasting to underspend by £2m. This figure is inclusive of an unachieved savings target of £0.1m relating to the acquisition of properties through the Pan London Capital Letters programme.

Despite this, homelessness numbers continue to increase over and above budgeted demand levels, placing more pressure on the use of expensive nightly booked accommodation. This has resulted in additional costs of £4.264m above those budgeted. However, the additional rental income relating to a total of 397 acquisitions as part of the buyback programme has mitigated this cost pressure by generating additional unbudgeted income of £9.886m, a net surplus of £5.622m. This surplus is used to cover the cost of the borrowing to fund these acquisitions, with £3.636m covering the cost of capital in year, giving the underspend of £2m.

This forecast is inclusive of grant drawdowns totalling £4.8m in year to cover specific activity including rough sleepers (£0.5m), homelessness reduction act (£0.4m) and flexible homelessness support (£3.9m). These drawdowns are in line with those budgeted for the year.

Lettings (£0.1m Underspend)

The Housing Options Lettings service is forecasting to underspend by £0.1m as a result of income from Registered Social Landlords (RSL's) exceeding budgeted targets. RSL's are using the Council's common housing register above budgeted levels and a charge is being made to them for this service. The outturn position is inclusive of the non-delivery of a £0.3m savings target in year relating to the automation of the applications process on to the Common Housing Register and a review of the allocations policy. The work has been completed to deliver the saving, but the actual saving will not be realised until the next financial year.

Provisional break-even position after reserves drawdown

£m	Provisional Outturn Variance		
	Estimated impact on General Fund (GF)	Variance before reserve adjustments	Contribution to /(from) Reserves
Governance	-	0.8	(0.8)

The Governance directorate provisional outturn impact on the general fund is nil, after drawdown from the transformation reserve of £0.943m, and the creation of an EU exit reserve of £0.105m.

The reserves drawdown consists of transitional funding for Strategy, Policy and Performance staffing (£0.604m), Children's Services Ofsted Improvement work (£0.268m) and Communications support of transformation initiatives (£0.071m).

The 2019-20 budgets include £0.05m of Enabling and Support Services savings achieved, and £0.6m of Strategy, Policy and Performance centralisation savings to be achieved through Phase 2 of the review (funded from the transformation reserves in 2019-20).

Other comments

Strategy, Policy & Performance (SPP)	Break-even position after the drawdown of reserves for Ofsted improvement work (£268k) and for the transitional staffing structure (£604k) pending Phase 2 of the SPP restructure. A reserve of £105k has been created for EU exit grant monies received in 2019-20 which will be utilised in 2020-21.
Communications	An underspend of £33k due to over-achievement in income against budget. This position is after the drawdown of £71k from reserves for extra staffing to support Council-wide transformation initiatives.
Electoral Services	National elections (GE, European, GLA) are funded, in part, through a maximum recoverable amount grant and this is a system that provides a 75% advance and 25% to be claimed back, with surpluses being assessed by government with no guarantee. The electoral services provisional outturn is break-even, including an accrual for anticipated election reimbursement income to come of £122k.
Information Governance	An overspend of £186k due to staffing costs and i-casework software costs.
Other areas	An underspend was achieved, which offsets the overspend in Information Governance above, in the areas of Registrars Services, Corporate Management and Legal Services.

Provisional outturn underspend of £0.4m after movements in reserves

£m	Provisional Outturn Variance		
	Estimated impact on General Fund (GF)	Variance before reserve adjustments	Contribution to /(from) Reserves
Corporate and financing costs	(0.4)	3.3	(3.7)

The corporate and financing costs area is forecasting an underspend of £0.4m, after the planned drawdown from reserves for £3.730m contribution to non-recurrent expenditure in the MTFs position and the creation of reserves for:

The planned drawdown from reserves consists of the £2m short-term funding of Free School Meals from the Free School Meals Reserve and £1.730m short-term funding of the Programme Management Office from the Transformation Reserve.

The Council received the first tranche of the Covid-19 Emergency Grant (£10.449m) from the government in March 2020. Allocations of £0.131m were made to directorates in 2019-20 (primarily Adult Social Care), with the balance of £10.318m being transferred into an earmarked reserve for allocation in 2020-21.

Details of the variances are summarised below:

(in numerical descending order)	£m	Outturn variance commentary
Cross-Directorate Savings Slippage in savings achievement	6.5	Slippage in cross-directorate savings held centrally, being £3.0m slippage in Debt Management & Income Optimisation, £1.35m slippage in the Review of Printing/Scanning/Use of Multi-Functional Devices (MFD's) and £1.15m in Local Presence savings. The further £2m unachieved saving for TOWER Rewards terms and conditions changes is partially offset by £1m pay inflation budget not yet allocated to directorates.
Redundancy, Severance and Early Retirement Cost overspends	3.2	Overspends of £1.9m in severance costs (nil budget), £0.8m in early retirement pension strain and £0.5m in redundancy costs. The corporate budget funds redundancy costs where these relate to achieving savings agreed in the medium term financial strategy (MTFS).
Central Support Costs Unallocated support costs	3.2	Costs of overheads that are funded centrally (not apportioned out to directorates).
Utilities Unallocated costs	1.9	Electricity and gas costs, where these have not been allocated out to services.
Pension Fund deficit repayment Underspend against budget	(0.8)	Underspend against the budget allowed (£12.8m) for the payment to the Pension Fund to meet current deficit estimated by the actuary.
Corporate contingency Budget to cover unforeseen circumstances	(3.0)	£0.1m of the centrally held budget (£3.1m) as used for the last year of funding for two schools (Oaklands and Mulberry Academy Shoreditch) that hosted the London Youth Games.
Non-recurrent items One-off credits	(2.7)	One-off write back of credit balances and centrally held cash receipts.

Treasury Management

Underspend on borrowing costs budget and over-achievement in investment income

- (8.7) Underspend on the borrowing costs budget of £7.3m, due to slippage in the capital programme. £3.6m of the Minimum Revenue Provision (MRP) internal borrowing cost is funded by the rental income earned through the property buyback programme in Place directorate. Over-achievement in investment income above budget of £1.4m.
-

Provisional outturn variance for HRA £3.8m underspend before reserve adjustments

Forecast Outturn Variance			
£m	Estimated impact on HRA	Variance before reserve adjustments	Contribution to /(from) Reserves
HRA	0.8	(3.8)	4.6

The overall forecast for the Housing Revenue Account is a £3.8m underspend before any reserve movements. A strategic decision has been made to set aside £4.6m in an earmarked reserve for potential future costs associated with Thames Water charges. The creation of the reserve places the HRA in a £0.8m overspend position, and therefore HRA general balances will reduce.

The underspend of £3.8m before contribution to reserves is primarily made up of additional income from tenant rents, leasehold service charges and shops income.

(in numerical descending order)	Variance £m	Outturn variance commentary
Dwelling rent income Additional income recovered	(2.0)	Rental income is currently forecast to be higher than budget due to lower void rates than assumed when this budget was set, along with a lower level of Right to Buy sales.
Service Charges	(1.9)	Leaseholder and tenant service charges are expected to be above original estimate following completion of calculations of actuals charges for 2018/19. Service charges are based on a full cost recovery and reflect additional work undertaken within the delegated budgets.
Non Dwelling income	(2.5)	It was budgeted to appropriate the non-dwelling properties such as shops from HRA to general fund, but this proposal is under review and the shops will remain in the HRA at least during 2019/20.
Interest costs	0.7	As a consequence of the above changes to treatment of shops and of capital programme funding an increase in borrowing and therefore in interest costs is forecast.
Debt repayment	1.5	The Council decision to include a provision for debt repayment (Minimum Revenue Provision) is forecast to add unbudgeted cost to the budget
Bad Debt Provision	(0.6)	The amount that the HRA requires to top up its bad debt provision is lower than that budgeted, the result of improvements to debt collection rates.
Depreciation	(1.8)	Based on the latest property valuations, the depreciation charge to the HRA is lower than budgeted. This amount is transferred to the major repairs reserve and used to fund the capital programme

Insurance	0.5	Insurance charges for community buildings is £0.5m over budget. The charge is based on claims history
Tower Hamlets Homes (THH) Delegated: Special Services, Rents, Rates & Taxes/ Supervision & Management/ Repairs & Maintenance	2.3	A number of large demand led services are managed within this area, including the Repairs and Maintenance budget. These budgets are closely monitored in order that demand pressures are identified and financial implications addressed. The repairs and maintenance budget has overspent by £1.3m as a result of an ageing stock and costs incurred on repairs and security costs for community buildings, shops and sites under construction . The supervision and management budgets have overspent by £1m as a result of an increased fee paid to THH being higher than budgeted for agreed additional works undertaken and additional charges for Dame Collett and Poplar Baths.
Thames Water Earmarked Reserve	4.6	A decision has been taken to set aside money in an ear marked reserve to cover possible Thames Water overcharging.

Current projections will:

This table shows the balance on the general fund, HRA and useable reserves held for the previous 2 years as per the restated draft 2018/19 Statement of Accounts. It should be noted that further significant amendments are expected, and these balances are likely to reduce upon the next restatement.

Reduce our General Fund Reserve by £19.0m

Furthermore, outturn movements are still being finalised for 2019/20, and the figures as presented here are subject to change.

Decrease our HRA general balance by £0.8m**Decrease our DSG balance to further deficit of £11.2m****Increase our Earmarked Reserves by £26.8m**

	Final Balance at 31 March 2018 £m	*Draft Balance at 31 March 2019 £m	Movement £m	Draft Balance 31 March 2020 £m
General Fund Reserve	38.4	27.3	(10.0)	17.3
Budgeted drawdown			(9.0)	(9.0)
General Fund total			(19.0)	8.3
Housing Revenue Account (HRA)	47.6	53.8	(0.8)	53.0
HRA Earmarked Reserve	0.0	0.0	4.6	4.6
Dedicated Schools Grant (DSG)	0.0	(4.5)	(7.2)	(11.7)
GF Earmarked Reserves	122.6	128.5	26.8	155.3
Total Revenue Reserves	208.6	205.1	4.4	209.5
	Final Balance at 31 March 2018 £m	*Draft Balance at 31 March 2019 £m	Contribution to / (from) Reserve £m	Projected Balance 31 March 2020 £m
Earmarked reserves	£m	£m	£m	£m
Insurance	21.2	17.7	0.0	17.7
New Civic Centre	17.2	17.2	(0.2)	17.0
Parking Control	3.3	3.3	0.0	3.3
Transformation Reserve	15.0	9.2	(3.9)	5.3
Collection Fund Smoothing Reserve	0.0	6.5	0.0	6.5
ICT Reserve	21.0	16.1	(1.6)	14.5
Mayor's Tackling Poverty Reserve	4.1	3.4	0.0	3.4
Free School Meals Reserve	4.0	4.0	(2.0)	2.0
Mayor's Priority Investment Reserve	7.0	4.6	0.8	5.4
Risk Reserve	8.8	4.5	0.0	4.5
New Homes Bonus	12.1	28.9	16.0	44.9
Public Health Reserve	1.3	1.7	(0.7)	1.0
Services Reserve	1.9	1.9	1.3	3.2
Revenue Grants Unused	5.7	9.5	(1.0)	8.5
COVID 19 grant	0.0	0.0	10.3	10.3
CIL	0.0	0.0	7.8	7.8
Totals	122.6	128.5	26.8	155.3

*The figures as at 31/03/2019 are draft, due to the ongoing audit of the 2018-19 financial statements.

Spend of £184.9m against Revised Capital budget £213.9m

Capital Programme

	Original Annual Budget	Revised Annual Budget	Full Year Spend	Provisional (under)/ overspends
	£m	£m	£m	£m
		A	B	C=A-B
Housing Revenue Account	117.9	54.8	57.1	2.3
Corporate	41.3	17.0	19.0	2.0
Children and Culture	56.1	28.3	23.4	(4.9)
Place	143.9	104.0	73.1	(30.8)
Health, Adults and Communities	13.1	5.3	3.7	(1.6)
Resources	6.5	4.5	8.6	2.1
Total	378.7	213.9	184.9	(29.0)

The provisional outturn position shows the council has spent £184.9m (85.9%) against a reprofiled budget of £213.9m. These figures may be subject to further amendments as the ledger finalises.

The Capital Governance Working Group supports arrangements on the governance and administration of the capital programme, as well as reviewing spend, slippage and trends in its delivery.

Commentary on some key schemes is given below.

	Revised Budget £m	Spend £m	(Under)/ overspend £m	
Public Health	5.1	3.7	(1.4)	The programme has experienced delays in developers bringing sites forward for delivery, in approvals for passporting funding and a revised approach to health infrastructure, resulting in the programme being more accurately profiled in January. Even then, due to COVID 19 schemes have not progressed as intended and it was agreed for works not to take place on site, which has led to a delay of approximately 3 months on much of the programme. Wellington Way opened in Q4 of 2019/20.
Schools Basic Need/ Expansion	17.7	16.5	(1.2)	In-house works have been progressing but delays to some aspects/schemes have been encountered, including awaiting DfE decisions.

Schools – Condition & Improvement	4.1	2.6	(1.5)	The slippage is in part due to a crossover with the project in the Under-2s programme and a number of recently approved schemes taking place during the summer break.
Parks	4.2	2.1	(2.1)	Within this programme there are many smaller schemes which are progressing as per expectation; however, the delivery timetable for Bartlett Park has been extended as a result of complex canal side.
Disabled Facilities Grants	1.7	2.1	0.4	This additional expenditure was on adaptations within HA&C that were brought in at a late stage of the year which would otherwise have been met from revenue resource.
Streetlighting Replacement	3.3	3.8	0.5	The 2019/20 original budget of £6.754m has now been re-profiled over 2 years. However, active works were suspended in March and no new works have began since.
Footways and Carriageways	15.0	13.6	(1.4)	Full budget spend was anticipated up until February 2020. However, the COVID-19 emergency resulted in suspension of all works delivery. Subsequently, no programmed new sites were begun, and open works were stopped. The balance of the 2019/20 budget has slipped into 2020/21, and is now funding service continuity for a much reduced urgent roads programme.
New Waste and Cleansing Fleet	10.0	6.6	(3.4)	This project is expected to complete in early 2020/21, as further vehicle procurement is in hand.
TfL Schemes	2.9	3.4	0.5	The programme has proceeded broadly as expected and financial commitments made by TfL for 2019/20 are expected to be fulfilled.
ICT Transformation	4.2	7.1	2.9	Much of the cost of this project has now been capitalised, rather than being financed from revenue reserves. The programme is expected to complete in 2020/21.
Whitechapel Civic Centre	17.0	18.9	1.9	Expenditure to the end of the year for the Town Hall was slightly ahead of the revised spend forecast provided at Q3.
Housing Capital Programme	19.0	25.5	6.5	Delivery has exceeded the re-profiled budget.
Housing – New Supply (On-site)	19.5	18.9	(0.6)	Completion of 77 new council homes has been extended by 3 months and is now expected by September 2020.

Housing – New Supply Pre-construction and Phase 2	4.7	4.4	(0.3)	Progress generally in line with re-profiled budget; slippage from the original budget arose as a result of extended consultation periods, planning process and resolution of procurement and legal issues.
Purchase of s106 Properties	8.5	7.8	(0.7)	The budget included allocation in respect of deposit which had been paid in the previous financial year.

Capital Receipts

	This Year*
	£m
Dwellings sold under Right to Buy (RTB)	
Receipts from RTB Sales	6.2
Less: poolable amount paid to DCLG	(13.7)
Sale of Other HRA assets	
Preserved Right to Buy receipts	0.5
20 Alton Street	0.4
Sale of General Fund Assets	
Wayside Gardens	1.9
	<u>(4.8)</u>

*Receipts shown gross before costs of sale are deducted.

Target for year £25.1m

£11.0m savings delivered

£m	Saving Target	19-20 Target	Prior Year Slippage	Forecast Savings	Slippage	Under Recovery	Over recovery
	A = B + C	B	C	(D = E + F + G) = A ✓	E ✗	F ✗	G ✓
Children and Culture	4.9	3.3	1.6	0.5	1.0	3.3	-
HA&C	3.4	2.7	0.7	2.6	0.9	-	-
Place	3.1	2.6	0.5	2.0	1.1	-	-
Governance	0.1	0.1	-	0.1	-	-	-
Resources	2.8	0.5	2.3	2.1	0.7	-	-
All	10.8	5.6	5.2	3.8	7.1	-	-
Total	25.1	14.8	10.3	11.0	10.7	3.3	-


tick: a higher level of confidence that savings are on track to be delivered.

cross: either timing issues, i.e. slippage into future years, or at risk of non-delivery.

Total savings target for 2019-20 is £25.1m (£14.8m relates to approved savings as part of the 2019-20 budget setting process, and £10.3m as a result of previous year savings not delivered)

- £11.0m is identified as being on track to deliver savings;
- A net position of £10.7m is forecast to slip into future years due to timing issues;
- £3.3m has been identified as unachievable; this is mainly in the Children and Culture areas of Early Years and Special Educational Needs & Disabilities (SEND).

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<p style="text-align: center;">Cabinet</p> <p style="text-align: center;">29th July 2020</p>	 <p style="text-align: center;">TOWER HAMLETS</p>
<p>Report of: Neville Murton, Corporate Director Resources</p>	<p>Classification: Unrestricted</p>
<p>Budget Monitoring Report 2020-21 as at 31st May 2020 (Period 2)</p>	

Lead Member	Councillor Ronald, Cabinet Member for Resources and the Voluntary Sector
Originating Officer(s)	Tim Harlock – Chief Accountant
Wards affected	All wards
Key Decision?	No
Forward Plan Notice Published	30/06/2020
Reason for Key Decision	N/A
Strategic Plan Priority / Outcome	<p>1. People are aspirational, independent and have equal access to opportunities.</p> <p>2. A borough that our residents are proud of and love to live in.</p> <p>3. A dynamic outcomes-based Council using digital innovation and partnership working to respond to the changing needs of our borough.</p>

Executive Summary

This report presents the budget monitoring report 2020/21 as at 31st May 2020. It includes details about General Fund revenue, Dedicated Schools Grant (DSG), Housing Revenue Account (HRA), and progress made against savings targets.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Note the Council's projected outturn position against General Fund, Dedicated Schools Budget, Housing Revenue Account and earmarked reserves for 2020-21, based on information as at 31st May 2020.
2. Note that there are no equalities implications directly resulting from this report, as set out in Section 4.

1 REASONS FOR THE DECISIONS

- 1.1 The Council could choose to monitor its budgetary performance against an alternative time frame but it is considered that the reporting schedule provides the appropriate balance to allow strategic oversight of the budget by Members and to manage the Council's exposure to financial risk. More frequent monitoring is undertaken by officers and considered by individual service directors and the Council's Corporate Leadership Team (CLT) including approval of management action.
- 1.2 To the extent that there are options for managing the issues identified these are highlighted in the report in order to ensure that Members have a full picture of the issues and proposed solutions as part of their decision making.

2 ALTERNATIVE OPTIONS

- 2.1 The regular reporting of Revenue and Capital Budget Monitoring information through the year and the preparation of the provisional outturn position after the year end provides detailed financial information to Members, senior officers and other interested parties on the financial performance of the Council. It sets out the key variances being reported by budget holders and the management action being implemented to address the identified issues.
- 2.2 Further information across the Council's key financial activities is also included to ensure that CLT and Members have a full picture to inform their consideration of any financial decisions set out in this report and also their broader understanding of the Council's financial context when considering reports at the various Council Committees.
- 2.3 Set alongside relevant performance information it also informs decision making to ensure that Members' priorities are delivered within the agreed budget provision.
- 2.4 It is important that issues are addressed to remain within the approved budget provision or where they cannot be contained by individual service management action, alternative proposals are developed and solutions proposed which address the financial impact; CLT and Members have a key role in approving such actions as they represent changes to the budget originally set and approved by them.

3 DETAILS OF THE REPORT

- 3.1 On 19 February 2020 the Council considered and agreed the Revenue Budget and Council Tax for 2020-21. The Council also agreed Dedicated Schools Budget (DSB) and the Housing Revenue Account (HRA) budget for 2020-21, which includes rent setting and other charges.

- 3.2 The net budget requirement for 2020-21 has been set at £354.5m. The Medium Term Financial Plan (MTFP) indicates a budget for 2020-21 which is broadly balanced, though requires a drawdown of £1.74m from General Fund balances, and includes delivering savings of £21.0m (£10.2m for 2020-21, and £10.7m slippage from previous years).
- 3.3 The projection for General Fund balances (general reserve) is to fall from a draft position of £8.3m (arising from the draft 2019-20 outturn) to a deficit of £6.3m by the end of 2020-21 unless mitigating action is taken.
- 3.4 A fall in earmarked reserves is also projected, from £155.3m to £136.0m.
- 3.5 The Dedicated Schools Budget (DSB) is forecasting an overspend of £4.0m for 2020-21 and this will increase the deficit from a draft £11.7m to £15.7m.
- 3.6 The Housing Revenue Account (HRA) is indicating an overspend of £5.2m.
- 3.7 The detailed monitoring report, setting out estimated variances against approved budgets and the reasons for the variances, along with the financial implications of the currently reported financial position, is attached as Appendix A to this report.

4 EQUALITIES IMPLICATIONS

- 4.1 There are no equality implications directly resulting from this report.

5 OTHER STATUTORY IMPLICATIONS

- 5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:
- Best Value Implications,
 - Consultations,
 - Environmental (including air quality),
 - Risk Management,
 - Crime Reduction,
 - Safeguarding.
 - Data Protection / Privacy Impact Assessment.

- 5.2 There are no other statutory implications contained in this report.

6 COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 The attached report is primarily financial in nature and the financial implications of the issues raised have been included in the main report.

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 Council's chief finance officer has established financial procedures to ensure the Council's proper financial administration. These include procedures for budgetary control. It is consistent with these arrangements for Cabinet to receive information about the revenue and capital budgets as set out in this report
- 7.2 The monitoring of financial information is also a significant contributor to meeting the Council's Best Value legal duty and therefore this report complies with that legal duty.
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Linked Reports, Appendices and Background Documents

Linked Report

- NONE.

Appendices

- A1 Revenue budget monitoring report as at 31st May 2020 (Period 2)

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

- NONE.

Officer contact details for documents: N/A

Council Budget Monitoring Report as at 31st May 2020-21

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Circulated to	CLT
Date	30 th June 2020
Classification	Unrestricted
Report of	Corporate Director of Resources
Lead Member	Cllr Ronald, Cabinet Member for Resources and the Voluntary Sector
Originating Officer(s)	Tim Harlock, Chief Accountant
Wards affected	All Wards
Key Decision?	No

General Fund forecast £12.9m overspend

Dedicated Schools Grant (DSG) overspend of £4.0m

Housing Revenue Account (HRA) provisional outturn £5.2m overspend

2020-21 Forecast Outturn Variance

£m	Gross impact on GF/DSG/HRA	COVID-19 relief (assumed)	Variance before reserve adjustments	Contribution to /(from) Reserves	Net impact on General Fund GF/DSG/ HRA
Children & Culture (GF)	5.5	(4.0)	1.5	0.0	1.5
Resources	8.7	(0.7)	8.0	(2.6)	5.4
HA&C	9.2	(4.0)	5.2	0.0	5.2
Place	10.2	(10.7)	(0.5)	(0.3)	(0.8)
Governance	0.5	(0.1)	0.4	(0.4)	-
Sub-total GF Services	34.1	(19.5)	14.6	(3.3)	11.3
Corporate and financing costs			5.3	(3.7)	1.6
General Fund			19.9	(7.0)	12.9
Ringfenced Items					
Dedicated Schools Grant			4.0	0.0	4.0
Public Health GF			0.0	0.0	-
HRA			5.2	0.0	5.2
Overall Position			29.1	(11.0)	18.1

Conventions: The use of brackets denotes either an income budget or a positive variance (underspend).

This report sets out the 2020/21 forecast outturn position for the Council; it therefore shows the unmitigated position emerging before any management action is agreed or implemented.

In addition, there have been further recent announcements made by the Government to reimburse income lost as a result of COVID-19 which have not yet been reflected in this report; this is expected to reduce the overspend position as presented.

The current position of an estimated **£12.9m** overspend on General Fund expenditure is threatening to push the General Fund reserve from a draft end of 2019/20 balance of £8.3m to a **deficit of £6.3m**, after the planned budgeted contribution from General Fund balances of £1.7m. (Please see the Reserves section of this report for details). This net overspend position presented arises from a combination of the impact of COVID-19, non-delivery of agreed savings, changes in demographic demand and, in certain cases, spend above budget without apparent budget holder mitigation. The Council Tax Hardship fund, and Rough Sleepers' grants are all expected to be fully utilised this year.

Ongoing overspends are unsustainable, and current projections require urgent management remedial action.

In the Dedicated Schools Budget, the forecast overspend of £4.0m will **push the ongoing deficit from £11.7m to £15.7m**. This position is also unsustainable and needs urgent management remedial action.

The HRA balance is estimated to fall by £5.2m, mainly as a result of the impact of COVID-19.

Forecast overspend £1.5m General Fund

Forecast DSG overspend of £4.0m

£m	Forecast Variance		
	Estimated impact on General Fund (GF)	Variance before reserve adjustments	Contribution to /(from) Reserves
Children and Culture (GF)	1.5	1.5	(0.0)
Children and Culture (DSG)	0.0	4.0	(4.0)

The general fund is projected to be overspent by a gross £5.5m before any relief for COVID-19 has been applied. This forecast includes the impact of Covid -19 estimated at a £4m pressure as at period 2, resulting, therefore, in a net position of a **£1.5m overspend** without any impact of Covid-19. The gross overspend is as follows: Children's Social Care £0.7m, Education & Partnerships £0.3m, Youth Services & Commissioning £2.1m, Sports, Leisure and Culture £2.2m and Children's Resources £0.1m.

Following last year's inspection, work has continued to strengthen the Divisions and ensure a more stable footing for finances and staffing structures. As part of the Continuous Improvement Plan, Children's Social Care are also working to reduce the current reliance on agency staff. Over the past year this has reduced steadily, although in recent months we have accelerated this process so that by the end of September the percentage of agency staff should be 18% (London average is 20%). Currently we have plans to either replace or convert 34 agency staff by the end of September 2020.

Children's Social Care were allocated growth in 2020/21 to manage staffing pressures as identified by Ofsted. Growth monies were also allocated for demographic growth in placements.

Details of the significant variances on the General Fund are shown below.

£m		Forecast variance commentary
Children's Social Care		0.7
(i)	CSC - Staffing – (£0.0m)	Much work has been undertaken over the past 12 months to put in place arrangements to reduce the numbers of agency Social Workers and to recruit and retain our own staff. This has resulted in a forecast of a balanced budget for the year end. This allows for the permanent recruitment of 22 new experienced, permanent workers and the continued recruitment of a further 22 newly qualified Social Workers. This forecast accounts for both the recruitment costs for the new experienced workers, and also assumes all new staff are forecast at the top of each salary grade.
(ii)	CSC - Looked After Children (LAC) Placements (£0.6m)	LAC placements is forecast to underspend by £0.6m mainly as a result of growth monies allocated in 2020/21 and the work being undertaken to keep children out of care. This is showing a pressure in the Edge of Care. However, it is also important to highlight the potential rise in demand in the second half of the financial year. This anticipated demand will coincide with schools resuming full time and a number of children being identified by schools and other agencies as potentially requiring placements due to concerns arising from lockdown.

(iii)	Leaving Care Placement (£0.09m)	This service is currently reporting an underspend of £0.09m. However, this may change dependent on the level of demand.
(iv)	CSC – Edge of Care £0.1m	This team were set up in 2017 on a payment by results basis. This year is the final year of this arrangement and the pressure is linked to slow progress from the initial 18 months of this project. The number of CLA in LBTH is significantly lower than the statistical neighbours (per 10,000 figure and shows the value of this service).
(v)	CAMHS £0.130m	This overspend relates to late invoices not accrued.
(vi)	Section 17 £0.53m	£350k of this overspend relates to pressures related to Covid-19 and is linked to increased demand of No Recourse to Public funds claims. This is driven by many families that previously had income via the “off the books” hospitality/fast-food sector no longer having income due to lockdown. In addition, there may also be an element of some of this forecast including an element of Legal costs, which should now be recorded separately (this will be monitored and assessed through budget monitoring sessions).
(vii)	Direct Payments and Family Support £0.38	This forecast is based on an assumption that demand for respite for children with disabilities may rise significantly in the latter half of the year as restriction on placements are eased. This will need careful monitoring and management of thresholds.

Youth Services and Commissioning **£2.1m**

(i)	Contract Services £1.7m – Full Review of Service	Options for the future delivery of Contract Services were presented to Cabinet in February 2019. The options included recommendations intended to reduce pressures on the budget for this service. Plans to reduce the historic pressure are being implemented during 2020/21. Plans to restructure the Contract Services in the light of the cessation of a number of areas of work will be presented to Children’s DLT in Q4 (2020/21). £1.1m of this reported pressure is as a result of lost income as a result of Covid -19 from school catering (£3.6m) for 6 months, netted off with estimated income £2.5m).
(ii)	Professional Development Centre - £0.2m	There was a pressure in 2019/20 of £0.05m. This has increased to £0.2m mainly due to Covid -19 and income not being generated. Future options for the ongoing use of the PDC as a building are currently being explored by the Division and these will be presented, as part of the Contract Services’ restructure, to Children’s DLT in Q4 (2020/21).
(iii)	Commissioned Services - £0.12m	Staffing pressure to be resolved as part of planned restructure which, subject to due process is scheduled to commence in 2020/21.
(iv)	Early Help - £0.1m	Staffing pressure from the transfer of Business Support staff budgets. This pressure is contested by the Service. Further work is being undertaken to understand this pressure which is thought belongs to another Service. The matter should be resolved during P3, but if resolved for Children’s satisfaction, would not reduce the budget pressure on the Council overall.
(v)	Children’s Centres – (£0.135m)	Underspend as a result of Children’s Centres not open during Covid-19.
(vi)	Youth Justice Service - £0.09	Staffing pressure to be resolved as part of planned restructure which, subject to due process is scheduled to commence in 2020/21.

Sports, Leisure and Culture		£2.2m	
(i)	Arts, Parks and Events £1.7m		Income for filming, Victoria Park Arts and Events are all severely affected by Covid-19. No income for filming has been forecast and the income forecast for Victoria has been prudent. The AEG income of £1.3m has not been forecast currently, although legal advice is being sought on whether is due as a contractual agreement. There is an increased income target for 2020/21 which will not be met.
(ii)	Sports and Physical Activity £0.133m		Pressure from Poplar Baths is driven as a result of Covid-19.
(iii)	Mile End Park Trust - £0.2m		There are insufficient funds available, which is now creating a pressure of £0.2m within the General Fund.
(iv)	Community Language Service ££0.235m		A pressure of £0.235m has arisen as the full year saving of £0.350m will not be met due to the delay in the implementation of the Community Language Services restructure.
Education and Partnerships		£0.3m	
	Support for Learning Service ££0.15m		A pressure of £0.15m has arisen as a result of the loss of SLA income from Schools.
	Parental Engagement and Support £0.1		A pressure of £0.1m has arisen as a result of the loss of SLA income from Schools.
	Special Educational Needs	0.0	<p>SEND transport has been an ongoing area of pressure, which reported an overspend of £2.8m in 2019/20 resulting from an historic misalignment of budget against demand. Growth of £2.5m was allocated for 2020/21 which will support the pressure in 2020/21.</p> <p>During lock down, the use of Vehicle hire (taxis) has ceased and this is a reduction in costs. However, going forward as schools start admitting more pupils, the costs arising from implementing social distancing during journeys have still to be fully understood. This means it is difficult to accurately forecast the budget currently. A more informed forecast will be undertaken once information on the number of pupils requiring transport is available, together with when social distancing rules are known.</p> <p>The consultation on the proposed changes to the council's policy on travel assistance for those with special educational needs and disabilities (SEND) completed on 6th May 2020 which is expected to deliver cost reductions as changes are implemented to the travel assistance provided by the council.</p>
Childrens Resources – Covid Spend £0.11m			This pressure is as a result of Covid Spend and will hopefully be funded from the grant received from government.
	The Dedicated Schools Grant (DSG)	£m	The key impact on the DSG is the significant overspend in the High Needs Funding Block element. The actions being taken to address this are outlined below.
	High Needs Block (HNB) Plus £12.12m deficit from 2018-19 and 2019/20	4.0	There is a further £4m pressure being reported on the High Needs Block for 2020/21, despite an increase in HN Block funding of £7m for 2020/21. This pressure is made up of £3.1m related to SEN Education, Health and Care

Plans, £0.6m from the loss of income from managed moves of pupils and the exclusion of pupils. The significant delay in restructuring of the Support for Learning service has resulted in a £0.3m staffing pressure within the Support for Learning Service. This adds to the cumulative pressure brought forward from 2018/19 and 2019/20 of £12.12m.

The Council have met with the DfE and presented the recovery plan to manage the overspend on the High Needs Funding Block (HNFB) and how it will be addressed over the period 2019 – 2022. The actions include:

- significantly reducing the funding retained by LBTH to deliver support services (SLS restructure),
- reducing the demand for centrally retained funding for Alternative Provision,
- reducing the rate of increase in EHC plan numbers,
- a reduction across all school top-up payments
- re-provisioning of primary SEMH support.

Early Years Block (EYB)
£0.8m deficit from 2019/20

The likelihood of a pressure for the EYB, arising in part due to the increase in the take up of places by eligible 2-year olds, for 2020/21 is currently being calculated.

Forecast overspend of £5.4m, after reserves drawdown

£m	Forecast Variance		
	Estimated impact on General Fund (GF)	Variance before reserve adjustments	Contribution to /(from) Reserves
Resources	5.4	8.0	(2.6)

The Resources directorate is forecasting a £5.4m overspend due to temporary accommodation costs, following the expected drawdown of £2.6m from reserves. The reserves drawdown consists of £2.0m from the ICT Transformation Reserve, £0.2m for Human Resources and £0.4m for the Finance Improvement Team from the Transformation Reserve.

Details of the areas of overspending and mitigations are summarised below.

£m	Forecast variance commentary	
Benefits Service Temporary accommodation costs above grant level	5.4	Forecast overspend of £5.4m from temporary accommodation costs funded by the Council above housing benefit subsidy level of government grant. The 2020-21 Benefits service – centralisation of assessments – service review and restructure saving of £0.6m has been delayed due to needing to facilitate grant payments and new business rates reliefs relating to the Covid-19 pandemic and a significant increase in the number of residents submitting new claims for Council Tax Reduction. Replacement funding of £0.6m from the Covid-19 emergency grant is requested to meet this short-term pressure in 2020-21.
Human Resources Phase 2 review slippage	0.5	Savings slippage on phase 2 of the HR review of £0.7m and the 2020-21 HR Services - Additional Staffing Efficiencies saving of £0.1m, partially mitigated by holding temporary vacancies and reducing non-pay expenditure (£0.3m). Further £0.2m of staffing cost relates to extra work on the Tower Rewards new terms and conditions and is funded through the transformation reserve.
Business Support Phase 2 review slippage	0.3	The forecast overspend relates to savings slippage which will be actioned in Phase 2 of the business support review.
Customer Access	-	Customer Access model savings slippage in 2019-20 of £0.9m has now been achieved for full year effect in 2020-21. The 2020-21 Additional Local Presence Efficiencies saving of £0.3m is also forecast to be achieved.
Finance, Procurement and Audit	-	A forecast break-even position, following the expected drawdown of £0.4m from transformation reserves for the Finance Improvement Team. The 2020-21 saving for Internal Audit – Streamline Management and Explore Shared Service Options (£50k) will be achieved in 2020-21 through holding vacancies, and will be permanently achieved in the future Finance, Procurement & Audit review of the 2019 restructure.

Information Technology	-	Regarding the 2020-21 ICT savings of £0.2m, the on-line rationalisation saving of £0.1m has been achieved. The rack rationalisation has been delayed due to supporting the Covid-19 BECC and will achieve part-year savings of £0.04m in 2020-21. Efficiencies in contracted services will meet the short-term £0.06m savings delay pressure in 2020-21. Infrastructure improvement costs that are not applicable for capitalisation are expected to be funded by a drawdown from the ICT transformation reserve (£2.0m).
Revenues Service	-	Forecast pressure from reduced court costs awarded income of £0.5m, which will be offset through the additional burdens grant from government and the write-back of credit balances.
Programme Office	(0.8)	Transformation budget underspend in third party payments.

Forecast outturn variance £5.2m overspend on the General Fund

Public Health breaks even

£m	Forecast Variance		
	Estimated impact on General Fund (GF)	Variance before reserve adjustments	Contribution to / (from) Reserves
HA&C	5.2	5.2	0.0
Public Health	-	0.0	0.0

The Adults, Health and Communities Directorate forecast outturn for 2020-21 at period 2 is for a £5.23m overspend. The forecast position is after accounting for any Covid19 related expenditure which is assumed to be fully funded through corporately held government grants or recharged to the CCG. The challenges remain around the demand for services within Adult Social Care. The main variances are summarised below.

The 2020/21 budgets include £2.55m of savings, including £0.78m of savings from 2019/20. The directorate is forecasting to achieve £2.49m (98%) of these savings in 2020/21. The only area of slippage is the implementation of the changes to the Adult Social Care Charging policy which will subject to completion of the consultation exercise will not be in place until January 2021. An additional option has been included in the charging consultation which would result in higher income being generated which would mitigate the risk. The consultation on the changes to the charging policy has been delayed due to the Covid19 pandemic.

A revised recovery plan is in the process of being developed to address the budget pressure, these plans thus far have identified £3m of savings proposals. These proposals are currently being worked up into delivery plans and further work is underway to identify additional savings to bridge the remaining gap of £2.23m.

There continues to be a number of risks across the directorate through demand and price pressures. The residual impact of the Covid19 pandemic is likely to continue for some time and continue to affect demand for services and have an impact on service providers operating costs.

(in numerical descending order)	£m	Forecast variance commentary
Adult Social Care & Integrated Commissioning An over spend due to demand for residential and community-based care services for disabled, mental health and older people.	5.23	<p>The forecast outturn variance is a £5.23m overspend against a net budget of £100.91m. (5.18% overspend).</p> <p>The forecast overspend is caused by pressures in both residential/nursing placements and community-based services supporting service users in their own homes. The council supports approximately 520 people in residential /nursing accommodation and over 1,800 people to live independently in their own homes through home care provision. These overspends are a continuation of the pressures seen and reported in the 2018/19 and 2019/20 Outturn reports. Similar pressures in adult social care budgets are reported by authorities nationally.</p> <p>The main pressures in the forecast at P2 are as follows:</p>

ASC Care Packages (£5.91m forecast overspend)

This reflects a continuation of the underlying financial position as reported in the 2019/20 outturn. Demand for services and unit cost for the services exceeds the available budget. Without major changes in the way demand for services is managed and the cost of placements this pressure will continue.

Staff Costs (£0.24m forecast overspend)

Due to the Covid19 pandemic there has been delays in implementing the new ASC structure. This forecast overspend is non-recurring.

Integrated Commissioning (£0.95m forecast underspend)

Due to BCF funding held in Integrated Commissioning where expenditure is incurred in Adult Social Care (£0.75m) and a forecast underspend on Staffing (£0.2m)

Community Safety

Forecast Breakeven position

Whilst a breakeven position has been forecast there are budgetary pressures in the CCTV service and DAAT that will need to be closely monitored and contained within the budget available.

Public Health

Breakeven position forecast

- It is currently forecast that the Public Health grant will be fully utilised in 2020/21.

Projected variance £0.8m underspend on the General Fund

£m	Forecast Variance		
	Estimated impact on General Fund (GF)	Variance before reserve adjustments	Contribution to /(from) Reserves
Place	(0.8)	(0.5)	(0.3)

The Place Directorate is forecasting to underspend by £0.8m after adjustments for reserve movements and COVID-19 funding.

The Directorate has been significantly impacted by COVID-19, with income being reduced primarily in Public Realm and planning and additional costs within Housing and Growth & Economic Development. The gross forecast is a £9.9m overspend before any Government funding is applied. Direct costs attributable to COVID-19 across the Place Directorate total £10.7m and it is assumed this cost will be from Government funding, resulting in a net projection against budget of a £0.8m (£0.5m before reserves drawn down of £0.3m) underspend from business as usual activity.

Division	Gross Variance £m	Additional COVID-19 Funding £m	Net Variance £m
Property & Major Projects	1.4	(0.1)	1.3
Planning & Building Control	0.7	(1.0)	(0.3)
Growth & Economic Development	0.5	(0.7)	(0.2)
Public Realm	4.4	(5.8)	(1.4)
Housing & Regeneration	2.9	(3.1)	(0.2)
Total	9.9	(10.7)	(0.8)

The Directorate has £3.3m of savings targets in 2020/21. Although there is an additional risk of non-delivery as a result of COVID-19, it is currently felt that they will be delivered. The impact of the savings proposals is included within the forecast for each division.

The Place Directorate are currently working on a recovery plan to identify in year efficiencies and innovative ways to maximise income to try and deliver further savings.

(in numerical descending order) Outturn variance commentary

	Variance £m	
Property & Major Projects	1.3	<u>Property & Major Projects (£1.3m Overspend)</u>
Reduction in income from occupation of Jack Dash House; Business rate costs on council owned properties; Non-Delivery of saving proposals relating to commercial shops; Recovery of costs relating to Architects		The Property & Major Projects division is forecasting a gross overspend of £1.4m. This includes £0.1m that is directly attributable to COVID-19 and assumed to be met from Government funding, reducing the net overspend to £1.3m. There are a number of factors contributing to this overspend that are detailed below.
		<u>Administrative Buildings (£1.2m overspend)</u>
		A pressure of £1.4m resulting from loss of rent following Tower Hamlets Homes move from Jack Dash House in July 2018. This budgetary pressure will continue

until a new tenant is secured or the property is put to a different use or disposed of. The building will require capital investment to bring it to a marketable standard should a decision be taken to rent it out.

These overspends are being offset by an underspend of £0.1m relating to Town Hall revenue budget, where the majority of costs now incurred are of a capital nature.

An underspend against postal costs of £0.1m where new ways of working are reducing the volumes of postage

Building & Technical Services (£0.1m Overspend)

The Architects team recharge their costs on a cost-plus basis. However, the income target assigned to the team is unlikely to be achieved as a result of the capital programme being in abeyance and little scheme development as a result of COVID-19, resulting in a forecast under achievement of income of £0.1m against budget. A review of this service is being undertaken

Corporate Landlord Model (Nil Variance)

Income received relating to rents for sites managed within the corporate landlord model is forecast to over-recover by £0.1m.

Business Rate expenditure on Council owned property is forecast to exceed budget by £0.1m. This results from inflationary increases to the rateable values not being reflected in the budget and properties being vacant against which a business rate charge is incurred.

There is a forecast loss of rent of £0.1m following the decision to give community groups a three month rent holiday as part of the Council's response to COVID-19. This cost will be met from the COVID emergency grant funding as approved by an Individual Mayoral Decision on 17th April 2020. There will therefore be no impact on Place budgets from this rent holiday.

A £0.8m overspend relating to the Appropriation of HRA shops to the general fund. This saving proposal will not deliver the required saving based on current assumptions and as a result the appropriation has not taken place. This pressure is not included within the Corporate Landlord Model forecast as it has been agreed that a mitigation will be identified corporately.

Resources

No material variances

- Resources (Nil Variance)

There are no material variances being forecast within the Resources division. The pressures resulting in an overspend in 2019/20 were one off and therefore not impacting on the current year projections.

Planning & Building Control

Reduced fee income in relation to Planning and local land charges; vacant posts; Planning appeal relating to West Ferry Printworks;

(0.3) Planning & Building Control (£0.3m Underspend)

Planning & Building Control is forecasting a gross overspend of £0.7m. This includes £1m of lost income directly attributable to the impact of COVID-19. It is assumed that this additional COVID related cost will be met from Government funding, resulting in a net underspend of £0.3m from business as usual activity.

Planning

Based on current projections, planning fee income is forecasting to under recover by £0.6m against budget. Planning income has reduced as a result of delays in developers bringing forward sites for planning consent as a result of COVID-19. Sites such as Sainsbury's Whitechapel and Queen Mary Business School are now being re-appraised by developers.

The mood within the industry is less confident post COVID-19 with developers nervous to develop as a result of financial pressures. This will be monitored throughout the year to identify the impact on income streams.

There is a savings target of £0.125m relating to new fees for Planning Performance Agreements. There has been significant interest for this service to provide a more personalised journey through the planning process and large developers have signed up for the service. It is forecast that the full two-year saving of £0.250m will be delivered in the current financial year, resulting in additional income of £0.125m.

The Planning service has a number of vacant posts which is projecting to result in a £0.2m underspend.

LBTH has incurred costs in 2020/21 relating to an appeal against the Government's decision to overturn the Planning Inspectorate decision at Westferry Printworks site. This appeal has been successful and it is anticipated that the Council will be able to recover its costs relating to this appeal. No financial impact has been included in this forecast.

Local Land Charges

Income relating to land searches has reduced by 60% as a result of the impact of COVID-19. The number of house sales has significantly fallen resulting in a projected income shortfall of £0.4m

Building Control Trading Account

The Building Control Trading Account is projecting to outturn in line with budget. There is a pressure on income as a result of reduced service following COVID-19 and competition from the private sector which is being offset by vacancies within the service

Growth & Economic Development
Additional costs from delays to restructuring being offset by additional funding; reduced use of apprenticeship scheme

(0.2) *Growth & Economic Development (£0.2m Underspend)*

The Growth & Economic Development division is forecasting a gross overspend of £0.5m. This includes £0.7m of cost directly attributable to the COVID-19 pandemic through additional work undertaken by the tackling poverty team. It is assumed that this cost will be met from the Government Hardship fund received by the Council, resulting in an underspend of £0.2m from business as usual activity. Details of this underspend are outlined below:

Economic Development (Nil Variance)

Economic Development are projected to outturn in line with budget, utilising approved s106 funding and mayoral growth monies as planned in the base budget. Any unspent funding relating to project work such as apprenticeship, Childcare, Women into Health and Tackling Poverty programmes will be returned to the balance sheet for future use.

The Tackling Poverty service is currently funded through Mayoral Priority Growth. This funding will end in 2020/21 and as a result, decisions will need to be made around the future funding of this service area. If a decision is taken to end the service then there will be budget implications in year, with unbudgeted redundancy payments causing a cost pressure.

The Tackling Poverty team has undertaken significant additional work from COVID-19 through the opening of a food bank and food deliveries to vulnerable and shielding residents. Additional costs incurred are projected at £0.7m and is assumed will be funded through the Hardship Grant received from Central

Government. Therefore, no impact on the outturn position has been forecast.

Careers Service (£0.1m overspend)

The Careers service is forecasting to overspend by £0.2m as a result of a restructure savings proposal that has not delivered the desired saving as a result of the level of long-term sickness within the service and roles being backfilled. Mitigations are being assessed which will include the use of s106 and Mayoral Priority Growth money relating to the career's cohort, both of which fit the demographic of the careers service.

PAS Scheme (£0.3m Underspend)

An underspend of £0.3m relating to the apprenticeship scheme is being forecast. This scheme placed local people in apprenticeship placements outside of the Council and the Council made a contribution to the cost. This represents an area for priority review in 2020/21.

Public Realm

Impact of COVID-19 on both income and expenditure being offset by vacancies and savings against the waste disposal contract

(1.4) **Public Realm (£1.4m Underspend)**

The Public Realm division is forecasting a gross overspend of £4.4m. This includes costs and lost income totalling £5.8m that is directly attributable to COVID-19. It is assumed that this additional cost will be met from Government funding, resulting in a net underspend of £1.4m from business as usual activities. Details of these variances are outlined below

Parking Control (£3.2m Overspend)

The Parking service is projected to overspend by £3.2m against budget. This overspend is entirely COVID-19 related and results from a loss of various sources of income from April to June whilst the lockdown has been in place.

This overspend also includes an increased income budget target of £1.5m with the service contributing to a Corporate savings target for the maximisation of income. It is assumed that this pressure will remain with Place, although there is an agreement that any shortfall will be funded corporately if not delivered. (due to the 19/20 performance a stretched target was set with this proviso – it should be noted it was before the pandemic and the lockdown which has had severe impact on my budget

The Enforcement service was suspended for April and May with commencement of a reduced service in early June. As a result, there is a £1m loss of income from appeals and a further £0.5m from the non-collection of outstanding debt that is not being chased and warrants are not being issued. This is being partially offset by vacancies within the service, giving a forecast overspend of £1.3m

Casual Parking income is £1.2m lower than budget as a result of fewer visitors to the Borough during lockdown

There is an under recovery of £0.6m against permit income. This results from a corporate decision to issue key workers (including council own social worker staff) with free permits. In total nearly 5k permits have been issued, some of whom would have renewed a resident's permit but instead received one for free. Relaxing enforcement has also impacted on permit income, with fewer residents choosing to renew their permit during lockdown.

A reduced removals service has resulted in a net loss of £0.1m to the Council.

A diesel surcharge levy has been introduced in 2019/20 which will result in additional income that will help to mitigate this pressure. However, at this stage

it is difficult to project additional income levels due to the impact of COVID-19. As the service returns to normal and cars usage increases the impact of the diesel surcharge will be monitored and reported.

It is assumed that the pressure within Parking will not be met from Government funding received for COVID-19 and is therefore being reported as an overspend. There are mitigations that could be utilised that will reduce this impact but decisions will need to be made around them:

- Staff not working during the pandemic could be placed on the Government furlough scheme which would save 80% of their salary costs
- Parking has a reserve balance of £3.2m and some or all of this could be drawn down to offset the overspend. However, any decision would need to take into account the overall reserve position of the Authority

Concessionary Fares (£0.2m Underspend)

The mobility support service is forecasting to underspend by £0.2m, with the contribution towards the cost of Taxi Cards being less than budgeted. This is a demand led budget, with little ability for the Council to control or reduce costs.

The Council incurs spend of £9.8m per annum on the freedom pass scheme, being charged for bus journeys for card holders that terminate in the Borough. Usage of freedom passes has reduced over the first quarter of 2019/20 by 80%, which would result in a saving of £1.8m. However, this saving will not be realised in year as the freedom pass charge is calculated on past year usage and the benefit will therefore be in future years.

Street Trading Account (Nil Variance)

The Markets service is forecasting to overspend by £0.7m as a result of income loss directly attributable to COVID-19. All markets were closed from April until the middle of June, with a phased re-opening of markets from 15th June. This overspend position includes any small savings resulting from the markets closure, such as reduced cleaning. To date a decision has been made not to furlough market officers and therefore the salary costs are included in this forecast.

There is a risk that this overspend could increase as a result of traders ceasing to trade post COVID-19 and additional pitches remaining vacant. Any impact will be monitored and reported in future months.

Being a traded service there is no impact on the General Fund arising from surpluses and losses within the markets service. Any variances are transferred to an earmarked reserve at year end. In 2019/20 the reserve balance was reduced to nil as a result of an overspend in year. Any shortfall in the current financial year will have to be held in the earmarked reserve and offset against future surpluses. However, the size of the overspend forecast this year will be very difficult to offset and strategic decisions will need to be taken to mitigate this pressure.

Environmental & Regulatory Services (£0.6m Overspend)

The Environment & Regulatory Service (ERS) is forecasting to overspend by £0.6m. Increased cost of £1m is being incurred as a direct impact of COVID-19 and is partly being offset by vacancies held within the out of hours noise service, pest control, traveller's liaison, licensing administration and food safety services. These vacancies are projected to save £0.4m in year. These posts have been very difficult to fill and staff retention is a problem within this area.

Additional income from Landlord Licensing, HMO (House in Multiple

Occupation) and Late-Night Levy licenses are being profiled to be allocated over the life of each licence issued. Income is received up front and drawn down over the license period for which it is valid to cover costs incurred. No variance is forecast.

A one-off cost of £0.860m relating to London wide mortuary costs will be incurred in year. This reflects the additional mortality management service costs across London during the pandemic. These costs are being met by the 33 Boroughs based on ONS population projections and this cost represents LBTH's share. Further cost of £0.1m has been incurred for additional staffing and consumables within the mortuary service as a result of the increased number of deaths caused by COVID-19.

Public Realm Management & Administration (Nil Variance)

The outsourced waste collection and Trade Waste services have been brought back in-house in 2020/21. One-off funding was approved through growth bids to fund the cost of implementation, resulting in a £0.3m budget in 2020/21. Current forecasts indicate that this budget will be spent in full and additional costs totalling £0.5m will be incurred for planned work around staff inductions, I.T. and service consumables slipping into this financial year. It is assumed that this will be funded from reserve in year.

Operational Services (£1.3m Overspend)

Waste Collection service has been insourced in 2020/21 and internal budgets created for the provision of the in-house service. At present a £0.3m overspend is being forecast which can be directly attributed to additional costs incurred as part of COVID-19. The use of agency staff to cover high levels of sickness and staff that are self-isolating combined with reduced numbers of men on lorries and additional PPE requirements has resulted in this pressure.

A service review is being undertaken to identify synergies and savings within the back office now the service is in-house to try and mitigate this pressure.

A £1m underspend is being forecast for waste disposal. This is the result of reduced tonnages from COVID-19 and increased recycling across the Borough and additional income from rebates for recyclable materials.

The Bywaters recycling contract has been retendered and costs have increased by £0.5m. There is no budgetary provision for this additional cost, which will be met from the underspend on the disposals.

Commercial Waste income is forecast to be short of budget by £1.8m. As a result of COVID-19 many of the commercial waste customers were on lockdown and either suspended or cancelled accounts. Some of these customers will not return to the Council after lockdown or will cease trading and combined with ceasing debt collection is compounding the pressure. An aggressive marketing campaign will be undertaken in an attempt to increase the portfolio and mitigate this pressure in future years.

The Contracts Development Team is forecasting to underspend by £0.2m as a result of vacancies within the service. A further vacancy saving of £0.2m is forecast within the Green team

Riverside walk has overspent by £0.1m. There is a historical income target relating to the Travelodge site. The site was sold and a capital receipt realised. However, the site was generating an income and this lost income is resulting in a pressure.

Highways and Traffic Management (Nil Variance)
No material variances are forecast within Highways and Traffic Management.

Fleet (£0.5m Underspend)
The Fleet service is forecasting to underspend by £0.5m against budget. This results from a reduced service during COVID-19 where vehicles were not in use.

Housing & Regeneration
additional costs of homelessness associated with COVID-19; Over recovery of income relating to lettings service

(0.2) **Housing & Regeneration (£0.2m Underspend)**

The Housing & Regeneration division is forecasting a gross overspend of £2.9m. This includes £3.1m of forecast costs directly attributable to COVID-19 within rough sleeping. It is assumed that this cost will be met from Government funding, resulting in a net underspend of £0.2m. Details of the variances are outlined below.

Homelessness

The Homelessness and Temporary Accommodation services are forecasting to outturn in line with budget. Homelessness numbers continue to increase, placing more pressure on the use of expensive nightly booked accommodation and additional cost. However, additional rental income relating to a total of 397 acquisitions as part of the buyback programme is mitigating this cost pressure by generating additional income, reducing the use of expensive nightly booked and bed & breakfast accommodation. This generates a net surplus of £5.6m. This surplus is used to cover the cost of the borrowing (interest and minimum revenue provision) to fund these acquisitions.

This forecast is inclusive of the continued grant drawdowns totalling £4.8m in year to cover specific activity including rough sleepers (£0.5m), homelessness reduction act (£0.4m) and flexible homelessness support (£3.9m). These drawdowns are in line with those budgeted for the year.

Housing Options Lettings

The Housing Options Lettings service is forecasting to underspend by £0.2m as a result of income from Registered Social Landlords (RSL's) exceeding budgeted targets. RSL's are using the Council's common housing register above budgeted levels and a charge is being made to them for this service.

COVID-19 Response

As part of its COVID-19 response, the Government asked local authorities to put in place a plan of support for all rough sleepers, accommodating them in hotels and other forms of emergency accommodation during the response to the pandemic. This has resulted in over 200 individuals rough sleeping on the streets or at imminent risk of rough sleeping being found suitable emergency accommodation in the past two months at an additional ongoing cost of £100k per week for accommodation, inclusive of the impact on Housing Benefit subsidy and further support costs of £0.4m to the end of July for specific floating support and meals for this vulnerable cohort. It is forecast that additional costs will total £1.5m by the end of July.

It is anticipated that these costs will be met from a combination of Government funding and Housing Benefits but at this stage there is uncertainty that all costs will be covered and therefore it is prudent to forecast Housing & Regeneration spend in line with budget and that any saving resulting from the buyback programme and additional income from Lettings will be utilised in year. These costs and funding will continue to be monitored closely throughout the year.

Forecast breakeven position after reserves drawdown

£m	Forecast Variance		
	Estimated impact on General Fund (GF)	Variance before reserve adjustments	Contribution to /(from) Reserves
Governance	-	0.4	(0.4)

The Governance directorate forecast outturn impact on the general fund is nil, after requested drawdown from the transformation reserve of £0.340m and the EU exit preparations grant reserve of £0.105m.

The transformation reserves drawdown consists of transitional funding for Strategy, Policy and Performance staffing (£0.3m) and Communications support of transformation initiatives (£0.040m).

The 2020-21 budgets include £0.6m of Strategy, Policy and Performance centralisation savings slippage to be achieved through Phase 2 of the review.

Other comments

Strategy, Policy & Performance (SPP)	Break-even forecast position after the requested drawdown of transformation reserves for the transitional staffing structure (£0.3m) pending Phase 2 of the SPP restructure. The EU exit grant reserve created in 2019-20 will be drawn down in 2020-21 to support EU exit preparations.
Communications	Break-even forecast position after the requested drawdown of transformation reserves for extra staffing to support Council-wide transformation initiatives (£0.04m).
Registrars Services	There is an increase in the registration of deaths due to Covid-19, however this is being managed within existing staffing budgets by prioritising this over other services. There is a reduction in income due to not delivering other services, including citizenship ceremonies (average £14k per month) and wedding ceremony fees, birth/marriage and other certificates and our immigration services (circa £30k per month for these other areas). However when we return to business as usual, most of this income will be made up as many ceremonies have been deferred and not cancelled. In addition, all the birth and marriage registrations that we have had to postpone will all need to take place and the income will be made. Overall there could be a permanent loss in income of a quarter of the income (£10k per month), which has been requested to be funded from the Covid-19 emergency grant.

Forecast overspend of £1.6m after drawdowns from reserves

£m	Forecast Variance		
	Estimated impact on General Fund (GF)	Variance before reserve adjustments	Contribution to /(from) Reserves
Corporate and financing costs	1.6	5.3	(3.7)

The corporate and financing costs area is forecasting an overspend of £1.6m, after the planned drawdown from reserves for £3.730m contribution to non-recurrent expenditure in the MTFs position. The planned drawdown from reserves consists of the £2m short-term funding of Free School Meals from the Free School Meals Reserve and £1.730m short-term funding of the Programme Management Office from the Transformation Reserve.

Details of the variances are summarised below:

(in numerical descending order)	£m	Forecast variance commentary
Cross-Directorate Savings Slippage in savings achievement	7.2	Slippage in cross-directorate savings held centrally of £4.1m, being £1.6m slippage in Debt Management & Income Optimisation, £1.35m slippage in the Review of Printing/Scanning/Use of Multi-Functional Devices (MFD's) and £1.15m in Local Presence savings. Unachievable savings held centrally of £3.15m, being £2m TOWER Rewards terms and conditions changes, £0.8m Appropriation of Housing Revenue Account (HRA) Shops to General Fund (GF), £0.25m Income Through Housing Companies and £0.1m THH - Potential support service savings.
Redundancy, Severance and Early Retirement Forecast overspends	3.2	The current forecast overspend is based on the 2019-20 level of expenditure, which consisted of £1.9m in severance costs (nil budget), £0.8m in early retirement pension strain and £0.5m in redundancy costs. The corporate budget only funds redundancy costs where these relate to achieving savings agreed in the medium term financial strategy (MTFS).
Central Support Costs Unallocated support costs	3.2	Forecast of overhead costs that are funded centrally (not apportioned out to directorates).
Pension Fund deficit repayment Forecast underspend against budget	(0.8)	Forecast underspend against the budget allowed (£12.8m) for the payment to the Pension Fund to meet deficit estimated by the actuary.
Corporate contingency Budget to cover unforeseen circumstances	(3.1)	There are currently no commitments against the contingency budget of £3.1m.
Pay inflation budget Held centrally	0	2020-21 pay inflation budget (£3.1m) and TOWER Rewards terms and conditions budget (£2m) held centrally.
Treasury Management Forecast underspend on borrowing costs budget	(8.1)	A forecast underspend of £8.1m on the borrowing costs budget, due to slippage in the capital programme. An estimated £3.6m of the Minimum Revenue Provision (MRP) internal borrowing cost will be funded by the rental income earned through the property buyback programme in Place directorate.

It is forecast that interest and dividend income in 2020-21 will break-even against the income budget of £4.5m. This forecast is lower than 2019-20 achievement, due to the Covid-19 impact on the economy and the Bank of England reducing its base rate to 0.1%.

£m	Forecast Variance		
	Estimated impact on HRA	Variance before reserve adjustments	Contribution to /(from) Reserves
HRA	5.2	5.2	0.0

The HRA is forecasting to overspend before reserve movements by £5.2m as a result of the impact of COVID-19 on both income collection and unbudgeted costs. Work is ongoing to mitigate any overspend and to reduce the impact on the general balances (reserve) at year end. Projections will be input into the HRA business plan during the year to identify any pressures or opportunities arising at the earliest stage to enable strategic decision making within the ringfenced HRA.

(in numerical descending order)	Variance £m	Outturn variance commentary
Leasehold Admin Fee	0.1	Leaseholder admin fees are projected to under recover when compared to budget by £0.124m as a result of lower than budgeted right to buy sales.
Bad Debt Provision	4.7	Since the COVID-19 pandemic outbreak, there has been a reduction in the levels of rent collected with tenants and leaseholders cancelling direct debit arrangements. The impact is a 5% reduction in rent and as a result it is felt prudent at this stage to increase the bad det provision by this amount. The impact on rents is being carefully monitored and will be refined in future months based on collection rates.
Repairs & Maintenance	0.1	An overspend of £0.148m is projected relating to additional risk assessments on water storage tanks that will be carried out in year
Poplar Baths / Dame Colet	0.1	A forecast overspend of £0.1m relating to repairs & maintenance works that are being undertaken for which there is no budgetary provision.
Cleaning Materials	0.1	An overspend of £0.1m on cleaning materials as a result of additional PPE purchased as a result of COVID-19
Concierge	0.1	The Concierge budget is forecasting to overspend as a result of increased fire safety patrols that are currently in place.

Current projections will:

This table shows the balance on the general fund, HRA and useable reserves projected forward to the end of this financial year. It should be noted that further amendments are expected (arising from the ongoing 2018/19 audit), and that these balances are likely to *reduce significantly* upon the next restatement.

Reduce our General Fund Reserve to a deficit of £6.3m

Furthermore, outturn movements are still being finalised for 2019/20, and so the figures as presented here are subject to some change.

Decrease our HRA by £5.2m**Increase our DSG deficit to £15.7m****Decrease our GF Earmarked Reserves by £19.3m**

		*Draft Balance at 31 March 2020 £m	Movement £m	Projected Balance 31 March 2021 £m
	General Fund Reserve	8.3	(12.9)	(4.6)
	Budgeted drawdown		(1.7)	(1.7)
	General Fund total	8.3	(14.6)	(6.3)
	Housing Revenue Account (HRA)	53.0	(5.2)	47.8
	HRA Earmarked Reserve	4.6	0.0	4.6
	Dedicated Schools Grant (DSG)	(11.7)	(4.0)	(15.7)
	GF Earmarked Reserves	155.3	(19.3)	136.0
	Total Revenue Reserves	209.5	(43.1)	166.4
		*Draft Balance at 31 March 2020 £m	Contribution to / (from) Reserve £m	Projected Balance 31 March 2021 £m
Earmarked reserves consist of				
	Insurance	17.7	0.0	17.7
	New Civic Centre**	17.0	(17.0)	0.0
	Risk Reserve**	4.5	(0.9)	3.6
	Parking Control	3.3	0.0	3.3
	Transformation Reserve	5.3	(3.0)	2.3
	Collection Fund Smoothing Reserve***	6.5	0.0	6.5
	ICT Reserve	14.5	(2.0)	12.5
	Mayor's Tackling Poverty Reserve	3.4	0.0	3.4
	Free School Meals Reserve	2.0	(2.0)	0.0
	Mayor's Priority Investment Reserve	5.4	0.0	5.4
	New Homes Bonus	44.9	16.0	60.9
	Public Health Reserve	1.0	0.0	1.0
	Services Reserve	3.2	0.0	3.2
	Revenue Grants Unused	8.5	(0.1)	8.4
	COVID 19 grant	10.3	(10.3)	0.0
	CIL	7.8	0.0	7.8
	Totals	155.3	(19.3)	136.0

*The figures as at 31/03/2020 are draft, due to the ongoing audit of the 2018-19 financial statements, and the 2019/20 outturn still being provisional.

**The Civic Centre will now be funded by borrowing, and the balance of this reserve will be used to fund the Business Rates Collection Fund Deficit together with £0.9m from the Risk Reserve.

***A drawdown of the full Collection Fund Smoothing Reserve balance will be required in 2021/22.

Target for year £21.0m


£11.3m savings to be delivered

£m	20-21 Target	Prior Year Slippage	Saving Target	Forecast Savings	Slippage	Under Recovery	Over recovery
	A	B	C = A + B				
HA&C	1.3	0.9	2.2	1.8	-	0.4	-
Children and Culture	1.5	1.0	2.5	2.0	0.6	-	-
Place	2.8	1.1	3.9	3.0	-	0.9	-
Governance	-	-	-	-	-	-	-
Resources	2.6	0.7	3.3	1.8	1.1	0.3	-
All	2.0	7.1	9.1	2.7	4.4	2.0	-
Total	10.2	10.7	21.0	11.3	6.1	3.7	-

Total savings target for 2020-21 is £21.0m (£10.2m relates to approved savings as part of the 2020-21 budget setting process, and £10.7m as a result of previous years' savings not delivered)

- £11.3m is identified as being on track to deliver savings;
- A net position of £6.1m is forecast to slip into future years due to timing issues;
- £3.7m has been identified as unachievable

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<p style="text-align: center;">Cabinet</p> <p style="text-align: center;">29th July, 2020</p>	
<p>Report of: James Thomas, Corporate Director Children's and Culture and Ann Sutcliffe, Corporate Director of Place</p>	<p>Classification: Part restricted</p>
<p>Oaklands School – Use of Raine's Foundation School Lower Site</p>	

Lead Member	<p>Councillor Danny Hassell, Cabinet Member for Children's and Culture Services Councillor Rachel Blake, Cabinet Member for Capital Delivery</p>
Originating Officer(s)	<p>Christine McInnes, Divisional Director, Education and Partnership Michael Rourke, Divisional Director, Property and Major Programmes</p>
Wards affected	St Peter's
Key Decision?	Yes
Forward Plan Notice Published	4 th June 2020
Reason for Key Decision	Financial Threshold
Strategic Plan Priority / Outcome	People are aspirational, independent and have equal access to opportunities;

Executive Summary

Due to increasing pressure for secondary pupil places, Cabinet agreed to expand Oaklands Community Secondary School at its meeting on 26 February 2020. This expansion requires additional accommodation, as the additional places cannot all be provided on their existing site.

The Raine's Foundation School is located on 2 sites, the main school site on Approach Road, E2 ('Main Site') and the former Lower School site in Old Bethnal Green Road, E2 ('Lower Site'). The school is due to close on 31 August 2020. As Raine's Foundation School is closing, the Lower Site will potentially be available for leasing or acquisition.

The Lower Site is shown in the Land Registry as having separate elements of the land owned by The London Diocesan Board for Schools ('the Diocese') and the trustees of the Raine's Foundation ('the Trust'), with a small area to the rear of the site owned by the Council (see site plan Appendix 1). However, the Trust has now challenged the Diocese's ownership of the site. The validity of their claim is not clear and is being established.

The Council is proposing to enter into an initial licence agreement with the Diocesan Board from 1st September 2020 to 31st December 2020, with an intention to then negotiate a lease and seek to secure terms to conclude the Rain's Lower Site with the registered owner. The Trust has recently indicated a willingness to enter into discussions with the Council regarding their part of the Lower Site and this negotiation will be progressed.

The funding for the purchase of the Lower Site will be subject to the review of the Council's capital programme, to be reported to Cabinet in September 2020.

The licence, lease and subsequent purchase of the Lower Site will enable the LA to ensure it meets its sufficiency duty. It will enable the planned increase in school places for the Oaklands Community Secondary School and in much needed additional educational facilities becoming available to the school and community.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Authorise the Corporate Director of Place to undertake negotiations with the London Diocesan Board for Schools and/or Raine's Foundation Trust for a licence agreement (see Exempt Appendix 3) followed by a lease (see Exempt Appendix 4) for the Lower Site in Old Bethnal Green Road, E2. It is intended the license will commence on 1st September 2020 for four months for a peppercorn rent, to enable the expansion in school places in the Oaklands Community Secondary School and ensure the LA meets its duty to provide sufficient school places;
2. Authorise that the Corporate Director of Place to agree a rent (see Exempt Appendix 2a), for the larger portion of the site (76%), for a two-year lease period with suitable break clauses, conditional on the negotiated valuation of the Lower Site that will be agreed by September 2020. If the purchase concludes sooner with the authorised owner of the Lower Site;
3. Authorise the Corporate Director of Place to undertake negotiations with the London Diocesan Board for Schools and/or Raine's Foundation Trust for the purchase of the Raine's Foundation School Lower Site in Old Bethnal Green Road, E2 based on a joint valuation between LBTH and the Diocesan Board (see Exempt Appendix 2 b); and
4. Authorise the Corporate Director of Place to undertake negotiations with the Raines Foundation Trust to agree a lease for their part of the Lower Site for a two-year period and also to agree a suitable purchase price.

1 REASONS FOR THE DECISIONS

- 1.1 With the gradual increase in applications to secondary schools in Tower Hamlets, Cabinet agreed at its meeting in February to increase the PAN of

Oaklands Community Secondary School ('Oaklands') from 120 to 180 for the start of the 2020/21 school year as part of a wider plan to ensure there are sufficient secondary school places to meet demand. The school is rated as Good and is a popular school.

- 1.2 The current accommodation at Oaklands does not have capacity to take the additional 60 pupils per year group and a separate site is required. With the closure of the Raine's Foundation School on the 31st August, the Lower Site would provide the additional accommodation required as is very close to Oaklands.
- 1.3 The Lower Site was recently refurbished for use by Raine's 6th form, it is proposed that the site is used for Oaklands' pupils in Years 11, 12 and 13.

2 ALTERNATIVE OPTIONS

- 2.1 The capacity of the existing Oaklands site provides for just over 4 forms of entry. The site is very compact, and it is not possible to increase its capacity to the model size of 6 forms of entry. The school has very limited external recreation space, which already includes the use of roof space, and even so is below that set out in the government's guidance (Building Bulletin 103) on school recreation play space. During the academic year 2019-20, the school has managed overcrowding of existing pupils by making use of the school hall as a base for the sixth form.
- 2.2 Three options were considered for the expansion and two were not deemed suitable. There are currently no other suitable buildings or sites nearby, other than the Raine's Lower Site which can provide for the additional 420 secondary school places needed.
- 2.3 The use of the Professional Development Centre ('PDC') was considered, but the school would not initially have exclusive use and this could create Safeguarding risks. The PDC would need significant capital investment to be usable as a secondary school building, for example to install science laboratories and sports facilities. There is also very limited outdoor space. It is not possible to make adaptations by September 2020 and uncertainty about the future use of the PDC building is also a risk.
- 2.4 The potential for using other existing sites has been explored. School sites that might become available for use in the future are not likely to be available before September 2021, but would require significant capital investment to adapt them for use as a secondary school.
- 2.5 In contrast, the Raine's Lower Site already has already benefitted from capital investment and refurbishment so is a functional school building.
- 2.6 The distance of any new site from the Oaklands main site is also a key issue. It would be difficult for Oaklands leadership team to manage a site that was not within walking distance of the main site, both with regard to enabling student's use of the main school facilities and the added staffing costs. For

this reason, potential sites further away from Oaklands were not considered.

- 2.7 Primary school sites which do become available can, when disposed of, be used as a capital contribution towards the purchase of the Raine's Lower site.
- 2.8 Since 60 additional year 7 pupils have been offered and accepted a place at Oaklands school for the 1st of September, provision will need to be made for these pupils by Oaklands. The Local Authority cannot lawfully withdraw the offers or disperse the pupils to other secondary schools which have vacancies. The School Admissions Code paragraph 2.12 states 'An admission authority **must not** withdraw an offer unless it has been offered in error, a parent has not responded within a reasonable period of time, or it is established that the offer was obtained through a fraudulent or intentionally misleading application.' The Local Authority, in order to meet its statutory duties, must provide temporary accommodation nearby or on site if possible.

3 DETAILS OF THE REPORT

- 3.1 **Background** The report to Cabinet on 31 October 2019, explained that there would be an increasing demand for secondary school places until 2023 before levelling through to 2027. The LA's plans to meet the projected demand need to be flexible and able to provide sufficient additional capacity to allow for parental preference and to provide places for pupils who may choose to transfer from existing underperforming schools.
- 3.2 On 29 January 2020, Cabinet agreed to close Raine's Foundation School ('Raine's') concluding that it was not financial sustainable. The Schools Adjudicator subsequently upheld the Council's decision on the 20th April 2020 and confirmed that the school would therefore close on 31 August 2020. This meant that the Council's decision could not be challenged.
- 3.3 Raine's is located on 2 sites, the Main School site on in Approach Road, E2 ('Main Site') and the former Lower School site ('Lower Site') in Old Bethnal Green Road, E2. In 2018 the sum of £4m Section 106 funding was agreed to upgrade the accommodation at the Raine's Lower Site for the Raine's Sixth Form and to provide a MUGA and other sports facilities for the local community.
- 3.4 The process was managed by the Diocese via the provision of a s106 grant. During the first phase of this work, which was completed in August 2019, the Diocese upgraded the Raine's Lower Site for the school's 6th form and the cost of the works was circa £1.5m.
- 3.5 It was whilst these works were being carried out that the possibility of Raine's closing was raised and so planning was undertaken to scope where the displaced pupils could be accommodated.
- 3.6 A parallel expansion of Oaklands, the nearest secondary school to Raine's, would ensure sufficient secondary school places to accommodate Raine's pupils, as well as contribute to meeting the projected shortfall in secondary

school places. Discussions then took place between the LA and the Diocese regarding the potential use of the Raines Lower Site by Oaklands as the two sites are approximately 300m from each other.

- 3.7 Before any agreement was made to formally take on the site the issue of the Trust owning part of the Lower Site was raised and they objected to the arrangement.
- 3.8 Due to increasing pressure for secondary places demonstrated in the October 2019 Cabinet report, the proposed expansion of Oaklands was agreed by Cabinet on 26 February 2020.
- 3.9 The expansion of Oaklands requires accommodation for additional student places and this cannot all be provided on the existing school site, even if the proposed capital works on the Oaklands site are undertaken. With the closure of Raine's agreed it is proposed to seek the purchase of the Raine's Lower School Site, and that a lease is agreed in the meantime, ready for the beginning of the academic year 2020-21.
- 3.10 The acquisition of the Raine's Lower Site for the expansion of Oaklands School provides the Council with the opportunity to provide up to 420 additional secondary school places. This is necessary to meet its 'basic need' obligations to ensure sufficient school places and avoid having to look immediately at the development of further new school sites, which would be more costly. The building is already set up for use as a 6th form in terms of the accommodation and equipment, so Oaklands could move in as soon as an agreement is in place.
- 3.11 **Ownership and use of the Raine's Lower Site** The Land Registry title register shows that the Lower Site has a split ownership with The London Diocesan Board for Schools ('the Diocese') and the Trustees of the Raines Foundation ('the Trust'), owning 2 separate adjoined parcels of the sit with a small area to the rear of the site owned by the Council. The Diocese land is shown edged red on the plan, the Trust land is shown blue on the plan and the Council's land is shown green on the plan, please see Appendix 1.
- 3.12 The Council had already undertaken initial discussions with the Diocese, and the Diocese have indicated that they would consider selling their portion of the Lower Site. The Trust has also recently engaged in discussions with the Council with regard to their part of the Lower Site.
- 3.13 However, the Trust wrote to the Diocese on 23 June 2020 claiming that they should have transferred the section of the Lower Site registered to the Diocese to the Trust so that both areas would come under the ownership of the Trust. This dispute is being taken forward by the Diocese legal team.
- 3.14 Whilst the negotiations between the three parties (the Trust, the Diocese and the Council) continue, officers have agreed with the Diocese and the Oaklands leadership team that the school can operate effectively by accessing only the part of the Lower Site registered to the Diocese.

- 3.15 As an interim solution, the Diocese portion of the Lower Site can be used, operating independently from the Trust owned portion through the installation of a partition, fencing and adaption of the services which will require the agreement of the Trust for access to undertake these works. This provides adequate accommodation to meet the needs of Oaklands school for the time being and it is intended to proceed on this basis to make the site useable for the academic year 2020-21. The cost to undertake these works is estimated to cost £30,000 and can be met from existing budgets.
- 3.16 Whilst the current situation is complex, we have been advised by Counsel the DfE would have a role in supporting resolution in the medium to longer term. Under Part II of Schedule 22 to the Schools Standards Framework Act 1998, when a school is to close, the owners of the site must write to Secretary of State to advise him of the closure and to confirm their proposals for the site, particularly if there has been significant investment using public funds, as is the case in the Raine's Lower Site. The Diocese have confirmed that they have prepared and are sending a letter to the Secretary of State advising of their intention to agree a lease with the Council for two years.
- 3.17 As the Raine's Lower Site is required for educational use by the Council, if the Diocese or Trust were being unreasonable the Council can apply to the Secretary of State to consider whether or not the land could be transferred to the Council. Specialist legal advice has been sought to confirm if this case meets the relevant criteria. The Council will propose to the Secretary of State the need for the Lower Site for the use by Oaklands School, to enable the agreed expansion. Our legal team have prepared this letter, which will be sent to the Secretary of State within the next week.
- 3.18 **The value of the Raine's Lower Site** Both the Council and Diocese have carried out valuations of the Raine's Lower School. There is a disparity between the assessment of the open market value of the Lower Site in terms of the rental and capital value. It has been agreed between the two parties that a joint independent valuation be undertaken within six months of the commencement of the licence and that the outcome will be adhered to; the lease will include the conditional purchase terms.
- 3.19 As the process for agreeing the valuation and then purchase of the Lower Site cannot be completed by September, it is proposed to negotiate an initial short term licence from 1st September to 31st December 2020 at a peppercorn rent, followed by a two years, at an annual rental . It has been agreed the rental cost would be off set against any agreed purchase price with the registered owner but would be cash flowed in agreement with Resources Directorate. The purchase costs would be met from the Council's capital programme.
- 3.20 The Capital programme is currently being reviewed and recommendations will be reported to Cabinet in September.
- 3.21 The ongoing revenue costs for managing and maintaining the building would be the responsibility of Oaklands School, which they would fund from their

delegated budget as this will increase due to the additional pupil numbers. Any future capital costs for condition works would come from the Council's capital programme, although the building is currently in good condition.

3.22 A summary of the potential costs and funding are as follows:

- Land purchase – The independent valuation on the whole site is yet to report and the actual cost is subject to negotiation. The Council will expect a reduction in the purchase price to reflect the existing capital investment of £1.5m as well as the commitment by the Diocese that the cost of any rental costs arising from the lease agreement
- The four-month licence – this will be charged as a peppercorn rent (attached terms)
- Short term lease – agreement has been reached with the Diocese on a rental for the 2 year lease.
- Separation works - £30k (School Condition & Improvement Prog.).
- Annual expected running costs and budget (School Budget).
- Budget for repairs and maintenance (School Budget).
- Letting costs and budget - £100,000 per annum (Revenue Budget).
- Works to expand Oaklands School - £8m(funding)

3.23 The nature reserve at the rear of the Lower Site is mainly owned by the Council but managed by another local trust.

3.24 **Summary** the Council has a statutory duty to provide sufficient school places and in order to meet growing demand in the secondary sector Cabinet agreed an expansion of Oaklands school at the February 2020 meeting.

3.25 Oaklands school has experienced significant overcrowding during the academic year 2019-20 and is expecting an additional 60 pupils on the 1st of September 2020. It is not possible to accommodate these pupils on the existing restricted site of the school and the Local Authority cannot withdraw the offer made to families of a place at the school.

3.26 This means arrangements must be put in place to accommodate the additional pupils. Several alternative options to using the Raine's Lower Site have been considered, but these are not viable as they would all require additional capital investment and could not be ready for a 1st of September start.

3.27 The Raine's Lower Site has been refurbished and is ready to use as a school building; it is located 300m from Oaklands school. The issue is identifying funding for the rental costs as an interim solution as ownership of the Lower Site is established, the cost of purchase is still to be finalised and subject to the capital programme being endorsed in September and the potential to seek the Secretary of State to intervene over the use of the Lower Site is explored.

4 EQUALITIES IMPLICATIONS

- 4.1 The Council aims to establish school access arrangements that seek to eradicate inequality and maximise the availability of school places. These policies are circumscribed by law and statutory guidance. They comply with equalities legislation and, as far as possible, are inclusive of the community.
- 4.2 The Council is also mindful of its duty to ensure that its decisions enable parental preference, where possible. It monitors outcomes to ensure that any proposed policy changes explain the background, identifies the issues of concern and highlights the potential benefits. These factors were assessed as part of the report to Cabinet on 26 February 2020. The outcomes recognised that an increased PAN would enable Oaklands, as a popular school, to meet the likely pupil demand and improve the quality and sustainability of its provision going forward. We therefore consider that there is no negative impact.

5 OTHER STATUTORY IMPLICATIONS

- 5.1 Under Part II of Schedule 22 to the Schools Standards Framework Act 1998, when a school is to close the owners of the site must write to Secretary of State to advise him of the closure and to confirm what should happen to the site(s) and its buildings, particularly when there has been significant investment using public funds.

6 COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 There is financial uncertainty and risk associated with meeting the accommodation needs of an expanded Oaklands School in time for a September 2020 opening.
- 7 Following Legal advice, the council could not propose the acquisition of the site until the future of Raine's School had been decided, the purchase of the Lower Raines school site has not previously been included in the Council's Capital Programme and as such there is currently no identified funding source for that purchase. Similarly, funding to support a lease payment of £100,000 per annum has not been provided for within the Council's revenue budget.
- 7.1 In relation to the anticipated capital purchase of the site the estimated cost can be included in the proposed capital programme being considered by members in September but Members will need to understand that committing to that purchase now will fetter their discretion on other capital expenditure at that time.
- 7.2 There is also currently uncertainty about the purchase price with disagreement between the Council and Diocese valuations and uncertainty over ownership of part of the site between the Diocese and the Trust; the extent of funding is therefore at this stage unknown but assumed to be in the order of £10m - £15m.
- 7.3 In terms of the availability of capital funding there is currently approximately £2.1m of S106 that references an Educational use, that has not been

allocated against a scheme; a review of decisions on other education schemes agreed but not contractually committed could provide additional scope for the Oaklands scheme. A further sum of Community Infrastructure Levy (CIL) is potentially available subject to other schemes being de-prioritised. This could be on the basis that future Educational Capital Receipts will be used on a substitution basis as suggested in para 2.7.

- 7.4 Whilst the disposal of Educational sites remains subject to the approval of the Secretary of State, the previous risk that the sites be allocated to their own free school and academy programme was mitigated through a change in DfE policy regarding the free schools programme which is now targeted at areas with the lowest educational standards and so excludes Tower Hamlets. A 'Free School presumption' does still exist where a new school is required to meet a need for additional places with an obligation for the Council to provide a site.
- 7.5 More generally capital receipts or borrowing could be used if Members agree that this scheme must be prioritised at this point. The use of borrowing would require additional revenue budget to be included in the 2021/22 budget setting process and would equate to an additional budget pressure of approximately £1m per annum.
- 7.6 It may be possible, subject to specific legal agreement, to utilise the CIL for the short-term leasing costs set out in the report. However, this would be an unusual approach as CIL is normally expected to be used for capital expenditure where an additional asset is created or enhanced – this would not be the case for leasing costs which are revenue in nature. However, the report does set out an expectation that the leasing costs will be offset against the eventual capital value alongside the funding already incurred on the Lower Raines site. (para 3.22 – first bullet point) and which might satisfy the requirement in that respect.

8 COMMENTS OF LEGAL SERVICES

8.1 Education

Councils have a legal duty to make sure there are enough school places available to local children and young people. Under section 14 (1) of the Education Act 1996 a local authority shall secure that sufficient schools for providing primary and secondary education are available for their area. Further, under section 14 (2) of the Education Act 1996 the schools available for an area shall not be regarded as sufficient unless they are sufficient in number, character and equipment to provide for all pupils the opportunity of appropriate education.

As noted in this report, increasing pressure for secondary school places led to a decision by Cabinet earlier this year to increase places at Oaklands, which is located very close to the Raines Lower Site.

8.2 Power to acquire the Lower Site

As set out in this report the property will be acquired pursuant to s120 of the Local Government Act 1972 which gives the council power to acquire land by agreement for the purposes of (a) any of the council's functions under the Local Government Act or (b) the benefit, improvement or development of the area

8.3 Best value consideration

The Council has an obligation under section 3 of the Local Government Act 1999 to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness (the best value duty).

Paragraph 3.18 and 3.19 of this report demonstrate the steps being taken by the Council to meet its best value obligations

8.4 Equalities Implications

The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advance equality of opportunity between people who share those protected characteristics and those people who do not
- Foster good relations between people who share those characteristics and people who do not

The expansion of Oaklands will maximise the accessibility of school places for the local community.

Linked Reports, Appendices and Background Documents

Linked Report

- Cabinet Reports of the 31 October 2019 and 29th January and 26th February 2020.

Appendices

- 1. Site Plan
- 2. Rental Cost and Site Value (Exempt)
- 3. Draft Licence terms (Exempt)
- 4. Draft Heads of Terms (Exempt)

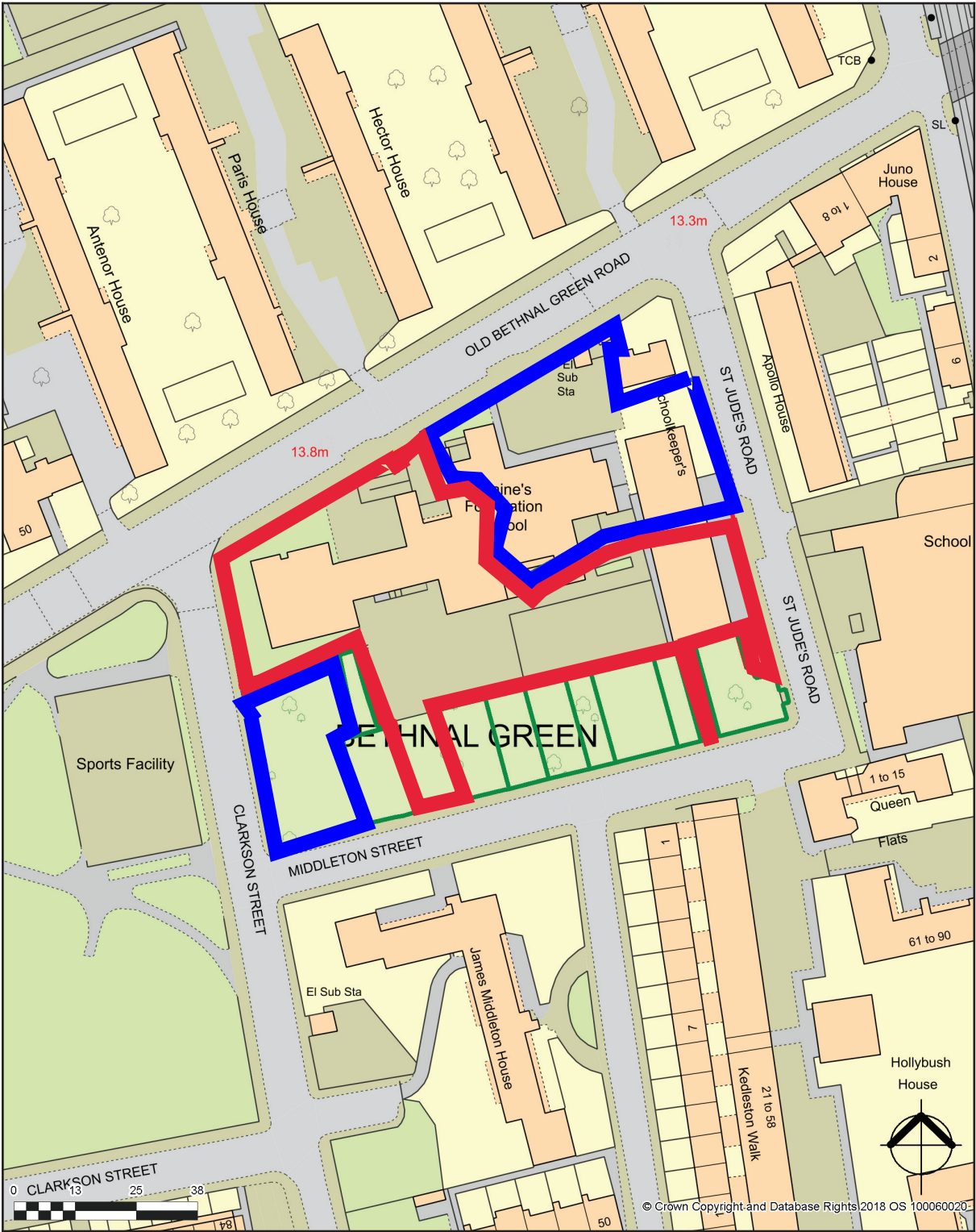
Background Documents – Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2012

- NONE.

Officer contact details for documents:

N/A

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<p style="text-align: center;">Cabinet</p> <p style="text-align: center;">29 July 2020</p>	 <p style="text-align: center;">TOWER HAMLETS</p>
<p>Report of: James Thomas, Corporate Director, Children & Culture</p>	<p>Classification: Unrestricted</p>
<p>Safe and Viable Re-opening of Leisure Centres</p>	

Lead Member	Councillor Sabina Akhtar, Cabinet Member for Culture, Arts and Brexit
Originating Officer(s)	Judith St John, Divisional Director of Sports, Leisure and Culture
Wards affected	All wards
Key Decision?	No
Forward Plan Notice Published	21 May 2020
Reason for Key Decision	N/A
Strategic Plan Priority / Outcome	All priorities

Executive Summary

This report sets out the impact of the government's closure of leisure centres on 20th March to mitigate Covid-19 on the council's leisure service contract provider, GLL. This is an industry wide issue, affecting all leisure centre operators, giving rise to financial instability in the leisure market.

There are two leisure contracts in operation in Tower Hamlets; the main leisure management contract covering six of the boroughs centres in which the Council is in direct contract with GLL, and the Poplar Baths contract in which the Council is in a direct contractual relationship with Folera, a special purpose vehicle which sub-contracts the leisure centre management and operation to GLL.

This report seeks approval for a contract variation to the main GLL Leisure Management contract (LMC) to ensure the continued operation of the leisure service within Tower Hamlets. This contract variation will be subject to an 'open book' review.

Financial issues related to the loss of income at Poplar Baths are also detailed within the report.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Authorise the Corporate Director Resources to negotiate and agree a management fee sum of up to £181k for Poplar Baths.
2. Authorise the Corporate Director Resources to negotiate and agree the removal of the Leisure Management service element from the main Poplar Baths PPP agreement, to bring it in line with the main leisure management contract or as a continuation of the current arrangements between LBTH and Folera.
3. Approve a contract variation to the main leisure management contract to provide a management fee of up to **£593k** to GLL, pending further negotiation of the repayment schedule and share of surplus.
4. Approve the proposed pricing schedule at para. 3.2.
5. Approve the phased restoration of safe and viable leisure centre activities in three phases with decisions upon implementation of each phase to be determined following a review of guidance, implementation, demand and lessons learned.
6. Note that a detailed Equalities Impact Assessment has not been conducted at this stage, however, if the leisure services were to cease, or some centres not to reopen, there would be loss of service provision for protected characteristics including single sex provision, older people and disability provision to name a few.

1 REASONS FOR THE DECISIONS

- 1.1 On 20 March government announced the closure of all leisure centres as part of its strategy to mitigate COVID-19. The closure of facilities has serious financial implications for Greenwich Leisure Limited (GLL), the borough's leisure operator.
- 1.2 Following the loss of its income stream, but with continued building and staff related costs, there is a danger that GLL, and other leisure operators in the country will go into administration without financial assistance from partner local authorities. The impact of this scenario would be devastating for the leisure industry and ultimately put the future of quality leisure centre provision nationally at risk. Due to the sub-regional and national risk associated with this outcome, the twelve local authorities in London that have GLL as its operator are working collectively in a client group to agree principles across all local authority areas to increase the likelihood of a successful outcome for leisure operator survival but also to mitigate risks for the local authorities concerned.

2 ALTERNATIVE OPTIONS

- 2.1 A high level options appraisal has been conducted, which has identified the following options:

- Option 1: Do nothing (not recommended)
- Option 2: Bring the leisure centres in-house (not recommended)
- Option 3: Provide GLL with a grant (not recommended)
- Option 4: Provide GLL with an interest bearing loan within the existing contract duration to end in 2022 (not recommended)
- Option 5: Provide GLL with a loan (interest to be determined) to be repaid over an extended contract period up to 2 years in duration (not recommended)
- Option 6: Execute a contract variation for a management fee of £593k to cover GLL's immediate cash-flow difficulties (recommended)

2.2 Option 1 is not suitable because it may lead to the collapse of GLL in Tower Hamlets, leading to job losses and the inability to provide a leisure service in the short to medium term. In addition, it would be incumbent upon the Council to either bring the service in-house or mothball leisure provision completely. If the Council were to make a decision to not operate a leisure service it would have significant detrimental impacts on the health & wellbeing of residents, increasing the health inequalities in the borough. It is important to note that leisure centres attract 2 million visits per annum and are a valued community service. The loss of such a well-used service is likely to create significant resistance from residents and would necessitate an extensive communications plan to manage public concerns and complaints.

2.3 Option 2 is not recommended as the best solution to this issue. Bringing the service in-house has serious, staffing, asset management and financial risks for the Council. Recent condition, mechanical and electrical surveys have identified indicative refurbishment costs in excess of £60 million over the next 10 years. Maintenance costs are currently paid by GLL. If the service were brought back in house, the Council would have to bear this cost. It should also be noted that bringing the service in house means the Council would have to pay for all pension liabilities of staff, NNDR, health & fitness equipment, CRM and IT systems costs to name a few. These are all additional financial risks for the council, which would be borne by the GLL or another leisure contractor in an external contract. These additional costs and risks to the Council have been confirmed by consultancy work undertaken by the GLL London Client Group, which demonstrates that bringing the leisure service in house does not offer best value. Furthermore, bringing the service inhouse is further complicated by the instability of the leisure market following Covid-19, and the extensive recovery time required for the market to return to a steady state. This in turn is likely to place greater risks on income generation required for service delivery for a new 'leisure start up' without the economies of scale associated with more established, larger leisure operators. Despite the significant risks associated with in-house provision it is being considered as a contingency plan should GLL go into administration.

2.4 Option 3 is not recommended following legal advice that this payment is likely to constitute state aid and is therefore not permissible.

- 2.5 Option 4 is not recommended because it is estimated that it will take some time (12-18 months) for the leisure market to recover to a steady state position by which point the existing leisure contract will be close to expiring in April 2022.
- 2.6 Option 5 is not recommended at this time because a contract extension beyond the existing contract period would limit the Council's options for leisure service delivery beyond 2022.
- 2.7 Option 6 is recommended as the most appropriate way forward at this time because it ensures the continuation of leisure services in the borough and enables the Council to consider its options from July 2020 onwards.

3 DETAILS OF THE REPORT

- 3.1 The government mandated closure of all leisure centres on 20 March 2020 has significant financial implications for the borough's leisure provider, GLL, and the leisure sector as a whole.
- 3.2 To mitigate its financial losses, GLL has implemented a number of measures to offset the loss of income during the lockdown period including:
- Suspension of service contracts in all areas
 - Plant have been turned off as much as possible to limit utility costs
 - All non-essential staff have been furloughed to maximise the grant GLL will be able to get from Central Government (over 300 GLL staff furloughed at present)
 - All purchases of equipment, provisions etc. have been suspended
 - Training has been suspended
 - Negotiations are progressing to reduce other costs such as insurance, licencing etc.
 - GLL have factored in the removal of business rates where this applies
- 3.3 Despite the mitigation measures employed, GLL are projecting an immediate projected net loss associated with the cost of maintaining Tower Hamlets facilities during March to July of £593,000 for the main leisure management contract.
- 3.4 Based on these figures, it is being recommended that the Council implements a contract variation to the main leisure management contract to provide for a management fee of £593,000. This figure includes the staff saving resulting from the government's furlough scheme and London Living Wage.

4. SECURING A SAFE AND VIABLE LEISURE CENTRE OFFER

- 4.1 The key considerations for the council are to ensure
- that the **safety** of our residents is paramount
 - that the plans for re-opening the leisure centres are **financially viable** and deliver a safe range of permitted activities
 - that there is a **phased approach to re-opening** the leisure centres that is in the interests of our residents and of the council, and will determine the decisions for each phase
- 4.2 When the leisure centres reopen:

- They will have reduced capacity due to the impact of Social Distancing. Smaller areas such as studios will not be available
 - All activities will be time-limited per user and must be booked in advance online or via the GLL app with cashless payments
 - There will be an enhanced cleaning regime (including hand sanitization stations) in operation alongside other COVID-19 mitigation methods such as one-way routes, phased entry to facilities to control numbers
 - Health suites will be closed until further notice due to increased COVID-19 risk associated with these areas
 - Swimming pools will be restricted to lane swimming only and users must attend the leisure centre wearing their swimming suits and ready to swim
 - Curtailed free and subsidised activities and events initially, as there will not be the capacity to deliver large programmes such as Free swim Friday, Free Swim Saturday for Families and 60+ off peak swimming in a COVID-secure manner.
 - The Council's will have oversight of risk assessments and COVID-secure management of the centres. Leisure centre monitoring will continue during and post restart with Council officers in regular contact with GLL regarding its operations
- 4.3 It is essential to take a phased approach and apply learnings from each stage. Government and leisure industry advice is emerging and regularly changing and safety is an absolute priority. The virus contagion and public health responses will develop further and therefore the decisions to re-open further will be made with GLL with these considerations as a priority.
- 4.4 The council's intention is to require GLL to open the leisure centres on a phased basis as outlined below:
- Phase 1 (July – September 2020) – The target is to provide safe initial re-opening and maximise income generation, focussing on direct debit adult health and fitness members. Minimise operational expenditure by operating a single shift.
 - Phase 2 (October – December 2020) - Extend opening hours, dependant on level of demand and financial considerations to be agreed with Council.
 - Phase 3 (January 2021 onwards) – Working towards a “normal” programme (returning to pre COVID-19 service levels, where safe to do so).

4.5 Phased Opening of Leisure Centres

	Phase 1 (July - Sept 2020)					Phase 2 (Oct – Dec 2020)	Phase 3 (Jan 2021 onwards)
Leisure Centre	Re-opening	Gym	Swimming	Fitness	Events	ALL SUBJECT TO REVIEW	ALL SUBJECT TO REVIEW
John Orwell	Yes	Yes	N/A	Yes	N/A	Extend opening hours and programme including courses and football	Business as usual
Mile End	Yes	Yes	Yes	Yes	N/A	Extend opening hours and programme including courses, lessons, school swimming and football	Business as usual
Poplar Baths	Yes	Yes	Yes	Yes	N/A	Extend opening hours and programme including courses and football	Business as usual
St. George's	No	No	No	No	N/A	Likely to remain closed	Closure under review
Tiller	No	No	No	No	N/A	Likely to remain closed	Closure under review
Whitechapel	No	No	N/A	No	N/A	Likely to remain closed	Closure under review
York Hall	Yes	Yes	No	Yes	Yes (inc. spa treatments only)	Extend opening hours and continue closed door events and spa treatments (not steam rooms/sauna)	Review of re-opening of Swimming pools Business as usual

4.6 Summary of issues related to the leisure centres

Leisure Centre	Issues and financial viability
John Orwell	John Orwell Sports Centre operated at a surplus in 2019-20. Its medium sized gym and large outdoor spaces provide greater opportunities for income generation from the restart.
Mile End Park	Mile End Park Leisure Centre is the largest centre in the borough and provides nearly half of the borough's annual visits. It operated at a surplus in 2019-20 and offers the greatest variety of sport & leisure facilities of all the borough's leisure centres. Reopening this centre will provide the greatest opportunity for maximum income generation during phase 1.
Poplar Baths	Poplar Baths Leisure Centre operated at a deficit at the end of 2019-20. However, this is tied to a totally separate long-term Public Private Partnership between Folera Limited and the council. This agreement means that the council is required to meet the net costs of the impact of closure of Poplar Baths due to COVID-19 of up to £181,000.
St. George's	At the end of 2019-20 St. George's Leisure Centre had a significant operational deficit due to the age of the building and its high maintenance costs, large swimming pools, under-sized gym and fitness areas. Reopening the centre will place the overall financial position of the centres at greater risk and as a result it is suggested that it remains closed.
Tiller	Tiller Leisure Centre operated at a significant financial deficit due to its age, large swimming pool and teaching pool, undersized gym and fitness areas, which cannot offset the high cost of swimming operations. Projections for the remainder of 20-21 financial year indicate that the centre would continue to operate at a significant deficit and as a result should not be re-opened.
Whitechapel	Although Whitechapel Sports Centre has operated at a surplus in the past, at the end of 2019-20 it operated at a financial deficit. This is due to the continuing adverse impact of the Crossrail development on centre usage, membership numbers and competition from private gym operators within the catchment area of the sports centre. Unfortunately, the impact of these two key drivers - Crossrail and competition - will continue in 2020-21, resulting in continued financial pressure and operational deficit in 2020-21 and beyond.
York Hall	York Hall Leisure Centre had a significant operational surplus in 2019-20. The operational surplus is due to events income generated through live sporting events (in particular boxing), and its high membership base (second highest in the borough). The centre also has the opportunity to generate further income through Spa London. Due to its increased income generating potential, York Hall is a key centre in providing a sound financial basis for the centres going forward.

5.0 NEW PRICING SCHEDULE

- 5.1 It is recognised that following the easing of the lockdown and leisure centres opening, there will be a number of social distancing measures in place that restrict capacity, income generation and how GLL process transactions. Officers have worked with GLL to simplify the pricing points for users, to enable them to effectively use the GLL app or book online as the basis for users to pre-book and pay for an activity. Secondly, with restricted capacity under social distancing, the proposed pricing enables maximising income levels whilst still offering concessions, therefore protecting the Council's financial position where possible. The proposed price increases have been negotiated with GLL in order to ensure that **the concessionary pricing for over 60's, under 16's, concessionary groups and borough residents is retained at a low level.** The pricing would remain in place for the current financial year and reviewed in advance of next year's (21/22) fees and charges report based on opening restrictions/level of demand/open book financial review.

- 5.2 The proposed pricing schedule is below:

Non Member Pricing			
Activity	Price Type	Current Price	Proposed Price
Swimming	Adult	£5.45	£6.50
	under 16	£1.85	£2.00
	Over 60	£1.90	£2.00
Fitness Classes	Adult	£9.75	£12.00
	under 16	N/A	£7.00
	Over 60	N/A	£7.00
Member Pricing			
Swimming	Adult	£4.40	£5.50
	Adult Conc	£1.90	£2.00
	Under 16	£1.05	£1.15
	Over 60	£1.10	£1.20
Gym	Adult	£7.50	£10.00
	Adult Conc	£5.45	£6.00
	Under 16	£3.60	£3.80
	Over 60	N/A	N/A
Gym Induction	Adult	£18.90	£20.00
	Adult Conc	£5.45	£6.00
	Under 16	£3.60	£4.00
	Over 60	N/A	£10.00
Fitness Classes	Adult	£7.50	£10.00

	Adult Conc	£2.60	£3.00
	Under 16	N/A	£6.00
	Over 60	£2.60	£3.00

6.0 CONTRACT VARIATION

- 6.1 Officers have undertaken negotiations with GLL with a view to implementing a contract variation to the main leisure contract to provide for a management fee of £593,000 in order to stabilise the finances of GLL sufficiently to enable their continued operations following the severe impact of lost income. This figure includes the staff saving resulting from the government's furlough scheme and includes a London Living Wage uplift.
- 6.2 The phased re-opening and new pricing provide a basis for the Council to recover its financial position from the surplus generated by the proposed service levels, based on usage of c.65%. A positive financial position would enable the management fee to be repaid to the Council within the existing contract term at the end of March 2022. GLL has confirmed that repayment of the management fee would be the first call on the surplus funds after all leisure centre running costs have been covered. Officers are also negotiating to vary the contract so that LBTH would receive a high proportion of the surplus share, over and above the repayment of the management fee.
- 6.3 In summary, the above proposals provide a coherent package which delivers:
- Assurance about prompt re-opening of those centres which are safe and viable
 - Satisfactory plans about managing the COVID-19 health and safety issues with three phases, with some activities curtailed
 - Price increases that retain the low concessionary charges for under 16s and over 60s and increase adult prices in a measured way
 - A schedule for repayment of the management fee in the duration of remaining contract – subject to the level of demand

7. POPLAR BATHS

- 7.1 The council entered into a long-term Public Private Partnership with Folera Limited in 2014 that delivered the restoration of leisure facilities at Poplar Baths, affordable housing and Haileybury community centre.
- 7.2 The Council effectively underwrites or “guarantees” part of the arrangement under the Development Agreement. The Development Agreement splits the arrangement for the purposes of default resolution into two parts; the Leisure Tranche and Non-Leisure Tranche. The Leisure Tranche is essentially guaranteed by the Council. Should the leisure element of the arrangement default, the Council are liable to pay the net amount of bank lending, hedge break costs (which changes with the market value of the swap) and any additional amounts to Folera, which Folera will then use to redeem the

Leisure Tranche debt.

- 7.3 Members have previously received reports on the need to refinance the debt associated with the Poplar baths PPP project. The current situation is making the refinancing of the debt challenging, partly because of the general economic uncertainty, but also the fragility of the leisure market. In order to mitigate some of those risks, options for simplifying the contractual arrangements have become part of the discussions including the separation of the financing and service delivery provisions which would nullify the leisure service default arrangement and protect the Council from having to immediately repay that element of debt.
- 7.4 Members are asked to delegate to the Corporate Director Resources, authority to agree to the separation of those elements where that reduces the risks associated with the failure of the leisure service and facilitates the conclusion of the refinancing arrangements. If that can be achieved the on-going debt charges can continue to be met on a monthly basis through the unitary payment to Folera.
- 7.5 In the current circumstances, following the outbreak of COVID-19 which resulted in a national lockdown, the government introduced “The Coronavirus Act 2020,” and The Health Protection (Coronavirus Restriction) (England) Regulations 2020. Folera is claiming that the aforementioned new law amounts to a Qualifying Change in Law. The ‘Change in Law’ provisions within the contract between GLL and Folera and back to back with the council mean that the council is required to meet the net impact of closure due to COVID.
- 7.6 This element is therefore progressing in much the same way as the negotiations on the main leisure management contract but with a legal requirement to meet these costs, rather than the optional decision being sought from the Cabinet in this report. The approach in settling this matter would be similar to that used for the main leisure contract using open book accounting with the actual costs evidenced. In respect of the Poplar Baths contract it is estimated that an additional sum of up to £181,000 would need to be provided and Members are recommended that this arrangement be delegated to the Corporate Director Resources to determine in accordance with the Change of Law provisions.

8. **EQUALITIES IMPLICATIONS**

- 8.1 If financial support for GLL is approved the existing concessionary memberships, single sex-provision, disability provision, older & young people programmes, as well as targeted provision for under-represented communities will continue to be provided, ensuring that protected characteristics have affordable, accessible leisure centre provision. However, if the financial support to GLL is not approved, this will have a detrimental impact on equalities provision in the short and medium term as subsidised, free and targeted programmes would cease to be delivered.

9. OTHER STATUTORY IMPLICATIONS

- 9.1 Leisure provision is not a statutory function of local authorities. However, it is regarded as a valued service, which helps in improving the health and wellbeing of residents, which is of vital importance considering the high levels of health inequalities in Tower Hamlets.
- 9.2 Well established leisure operators provide economies of scale and can take advantage of funding streams and exemptions that are not available to local authorities e.g. NNDR savings and service contract discounts due to their bulk buying power. These are some of the many reasons that the majority of local authority leisure services are externally procured because they provide best value. Best value is one of the drivers, which informs the recommendation to financial support GLL to ensure its immediate survival, as opposed to the Council assumes the costs and risks associated with operating the leisure service itself.
- 9.3 Local authority leisure management contracts, including Tower Hamlets', take into account statutory obligations and risks to ensure best value and maximal risk transfer to the leisure operator. In the current climate, leisure operators will be reluctant to assume more risk at a time that is already full of risk due to loss of income and reduced leisure centre usage. It is important to note that if GLL goes into administration then the leisure service will become the responsibility of the Council as does all the following risks and implications, which had previously been assumed by the operator.

10. COMMENTS OF THE CHIEF FINANCE OFFICER

- 10.1 Officers have worked in a co-ordinated way across London to explore the options for maintaining a Leisure management Contract with GLL. Given that it is a non-statutory service the option of essentially not agreeing to support GLL with the consequent loss of leisure facilities to the borough is available but has been discounted (Option 1).
- 10.2 The proposed Option 6 retains a significant element of risk that throughout the remainder of the contract circumstances become apparent such that the additional management fee proposed cannot be repaid – those risks are largely from future waves of the virus resulting in another lockdown and closure of leisure facilities or trading demand not meeting the projections set out in the report. In both scenarios the management fee is at risk of not being recovered and the options for re-provisioning leisure facilities would remain with the Council.
- 10.3 A loan is not considered appropriate primarily because of the risks associated with GLL being an on-going concern that would require the writing off of the loan immediately to revenue – essentially rendering it a grant with the associated concerns set out for option 2. A loan would also require the agreement of Full Council following a recommendation from the Audit Committee to change the Council's Treasury Management policy.

- 10.4 On balance and taking into account the risks, the proposed recommendations set out in this report represent the best option available at this time IF Members are minded to continue to provide leisure services in the borough.

11. COMMENTS OF LEGAL SERVICES

- 11.1 In response to the Covid epidemic Central Government issued PPN/02/20 (Appendix 1) which is guidance to public sector organisations relating to the support of contractors whose contracts have been severely affected by the measures introduced to control the spread of the virus. PPN/02/20 suggests a number of measures that may be undertaken by the Council, to support GLL where a contractor is at risk of bankruptcy and it is in the interests of the supporting organisation to ensure the continuance of the contractor so that the services can be resumed following relaxation of the measures.
- 11.2 In the case of GLL, the effect of the leisure centre closures by Central Government has severely affected GLL's ability to remain solvent as this has completely stopped the revenue collected from the public who would otherwise use the centres. If GLL ceases to exist the Council would have to re-procure leisure services which could take as long as 2 years or incur other significant expenditure to deliver the leisure services. GLL is not the only leisure operator impacted by quarantine and due to the instability of the leisure market it is clear that a re-procurement exercise is unlikely to be successful. Therefore, it is in the interests of the Council to engage in some form of arrangement to stabilise GLL and such action would be within the remit of PPN/02/20.
- 11.3 PPN/02/20 also goes further to say that financial assistance in the circumstances represents Best Value even though there is no service provision provided the action is necessary to safeguard the future provision of the services. Therefore, these activities satisfy the Council's Best Value duty
- 11.4 The Procurement Law applicable to the contract variation is the Public Contracts Regulations 2006 as the contract was originally advertised before the Public Contracts Regulations 2015 came into force. Contract Variations are therefore governed under the rules stated in the precedent case Pressetext.
- 11.5 The nature of the variation is to exchange future reward from sale receipts to a guaranteed receipt of the management fee based upon the anticipated usage rates over the remainder of the contract period. The Council will receive a greater share of the income generated from receipts in exchange for paying the management fee. Therefore, overall GLL should not be placed in a more advantageous position than they would have been by the end of the contract period. However, the change to a management fee basis will provide a period of stability for GLL at the current time.
- 11.6 The contract with Folera for the provision of a building and leisure service at the Poplar Baths site contains a clause by which Folera may claim from the Council in the event that they suffer loss due to a qualifying change in law. The baths

had to be closed as a result of central government introducing legislation to combat the spread of Covid. Therefore, provided that Folera have taken reasonable steps to mitigate the loss resulting from the change in law, it is within the contractual terms for the Council to compensate Folera for that loss.

- 11.7 The partial reopening of the leisure centres in line with central government allowances may lead to some services being inaccessible to persons with a protected characteristic which on the face of it could be considered discrimination for the purposes of the Equality Act 2010. However, the partial reopening has as its intention the legitimate aim of safeguarding all users of the facilities and the long-term viability of the service as a whole. Therefore, the activities detailed in this report and undertaken in this regard may be considered proportionate for the purposes of the Equality Act 2010.
-

Linked Reports, Appendices and Background Documents

Linked Report

- None.

Background Report

Appendices

- Appendix 1: Procurement Policy Note 02/20: Supplier relief due to Covid-19 & Procurement Policy Note 02/20: Model Interim Payment Terms

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

“Poplar Baths Refinancing”, Cabinet report 26/02/2020

Officer contact details for documents:

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Guidance notes on Model Interim Payment Terms - Procurement Policy Note 02/20

Before reviewing the Model Interim Payment Terms, please read:

- Procurement Policy Note 01/20 – Responding to COVID-19
- Procurement Policy Note 02/20 – Supplier relief due to COVID-19

Purpose of the Model Interim Payment Terms

The purpose of the Model Interim Payment Terms is to provide a set of terms that contracting authorities can use to implement PPN02/20 in providing contractual relief to suppliers who have been affected by COVID-19. This includes preventing a supplier claiming separate relief from another source of Government financial support on COVID-19, to the effect that the supplier gains an undue advantage by claiming relief twice for the same hardship

Who should use the Model Interim Payment Terms?

All contracting authorities to which PPN 02/20 applies should consider using these terms.

What contracts are the Model Interim Payment Terms designed for?

The Model Interim Payment Terms are designed for public contracts for the delivery of goods and services. Authorities should seek legal advice to ensure that the Model Interim Payment Terms are consistent with the contract which they seek to vary. Should an authority wish to vary a contract for works, legal advice should be sought.

How do the Model Interim Payment Terms work?

- The Model Interim Payment Terms allows a supplier, which the authority has identified as at risk because of COVID-19, to set out to the authority the contractual relief that it requires to deal with business disruption because of COVID-19.
- The request for an interim payment structure is set out by the supplier in an Interim Payment Proposal. This process is available after the supplier and authority have considered whether other forms of relief from contractual controls might be more appropriate (for example. performance indicator/service credit relief).
- When the supplier sets out the interim payment relief it requires, it also sets out why it needs the relief (eg staff wages or sub-contractor payment). This process allows the supplier to set out to the authority exactly what it needs and why.
- The clauses around open book transparency and supplier provision of supporting information allows the authority to check that the proposals that the supplier put forward are complied with when relief is given.
- If the supplier does not spend any interim payments in line with what it said it required the payments for, fails to act transparently and with integrity, or takes an undue advantage of the relief, the authority can take action necessary to recover any interim payments.
- The Model Interim Payment Terms prevents a supplier claiming contractual relief from an authority and claiming separate relief from the Government to the effect that the supplier gains an undue advantage by claiming relief twice for the same hardship.

[AUTHORITY LETTERHEAD]

Insert Supplier Name
Address

Xx/Month/Year

Dear

Contract (as amended) between (1) [Authority] (the “Authority”) and (2) [Supplier] (the “Supplier”) dated [Date] (the “Contract”)
Supplier relief due to COVID-19 in accordance with Procurement Policy Note 02/20

1. We refer to the Contract. Unless otherwise defined, terms defined in the Contract and used in this letter shall have the meaning set out in the Contract.

Background

2. The purpose of this Variation is for the Authority to give relief to the Supplier on the terms of this Variation. The Authority and the Supplier acknowledge that the relief is given in accordance with the policy set out in PPN 02/20 and that both parties shall act in good faith and work together towards the principles set out in PPN 02/20. The Supplier acknowledges that any relief given to it is at the sole discretion of the Authority.
3. The Authority reasonably anticipates that the Procurement Regulations will apply to this Variation and the Parties shall ensure that there is lawful basis for agreeing the Variation under the Public Contracts Regulations 2015 and/or any applicable procurement rules. Due to the current COVID-19 pandemic, this may include in particular justifications under Regulation 72 and Regulation 32 of the Public Contracts Regulations 2015 or such other applicable or equivalent provision.
4. The Contract, including any previous variations, will remain effective and unaltered except as amended by this Variation.

Variation

5. The following terms shall have the meaning as set out below and shall be incorporated into the Contract:

[Drafting note: Authorities should crosscheck definitions between this Variation and the Contract.]

Terms highlighted in green are not defined in this Variation and their definition should be crosschecked in the Contract.]

“Covid Related Hardship” means that as a result of the COVID-19 pandemic the Supplier’s ability to meet its contractual obligations under the Contract have been adversely affected.

“Covid Relief Period”	means the period from the Variation Date until the Relief Expiry Date.
“Interim Payment Proposal”	means a proposal for any interim payment structure pursuant to paragraph 6 of this Variation.
“Open Book Interim Data”	<p>means the complete and accurate financial and non-financial information which is required by the Authority to enable the Authority to understand all COVID-19 related relief, grants, interventions or other measures received by the Supplier from the Government and to verify the [Charges] paid or the [Charges] which would have been paid during the Covid Relief Period, including:</p> <ul style="list-style-type: none">a. the Supplier’s [Costs] broken down against each [Deliverable], including actual capital expenditure (including capital replacement costs) and the unit cost and total actual costs of all hardware and software;b. operating expenditure relating to the provision of the [Good] or [Services] including an analysis showing:<ul style="list-style-type: none">a. the unit costs and quantity of consumables and bought-in services;b. staff costs broken down into the number and grade/role of all [Supplier Personnel] together with a list of agreed rates against each manpower grade; andc. [Reimbursable Expenses];c. [Overheads];d. all interest, expenses and any other third party financing costs incurred in relation to the provision of the [Services];e. full details of the payment of employee wages; andf. full details of the payment of [Sub-contractors].
“Procurement Regulations”	means the Public Contracts Regulations 2015 and the Defence and Security Public Contracts Regulations 2011.
“PPN 02/20”	means Procurement Policy Note 02/20 [as updated or amended from time to time] setting out information and guidance for public bodies on how they may amend payment provisions in contracts or consider other contractual relief in order to assist suppliers to combat the impact of COVID-19.
“Relief Expiry Date”	means 30 June 2020, or such other date as may be notified by the Authority to the Supplier prior to or on 30 June 2020.
“Variation”	means the terms set out in this variation.
“Variation Date”	means the date the second party signs this Variation

6. Notwithstanding any other term of the Contract, the Parties agree to vary the Contract by incorporating the following terms into the Contract:

6.1. Where the Supplier is subject to Covid Related Hardship, the Supplier may at any time during the Covid Relief Period, propose a change to the Contract which has the aim of providing interim relief and support to the Supplier, pursuant to the aims and principles set out in PPN 02/20.

6.2. Pursuant to the aims and principles set out in PPN 02/20 and subject to this Variation, the Supplier shall prepare and deliver to the Authority in writing, an Interim Payment Proposal which sets out details of the Supplier's proposals to vary the payment profile and/or other terms of the Contract to support its cash flow position during the Covid Relief Period, including:

6.2.1. details of any proposed interim payment structure to be put in place, which may include (but not be limited to):

- 6.2.1.1. [advance payment or advance interim payment for **[Goods]** or **[Services]** prior to their delivery by the Supplier];
- 6.2.1.2. [proposals to amend contract milestone delivery and payment profiles (including extending, delaying, cancelling or consolidating milestone activity and payments)];
- 6.2.1.3. [continued payment notwithstanding reduced or non-performance];
- 6.2.1.4. [bringing forward Authority orders and associate payments];

[Drafting note: Authorities should consider which details are appropriate for each specific contract]

and the Interim Payment Proposal shall include details of the proposed amounts payable, the timescales for payment and any other information reasonably required by the Authority to enable the proposal to be considered by the Authority and implemented by the Parties; and

6.2.2. details of how any interim payment structure proposed by the Supplier (in total and each specific payment) is to be used and how it will provide the Supplier with relief and help reduce the adverse effect of Covid Related Hardship.

6.3. The Authority shall within [three] [3] **[Working Days]** of receipt of an Interim Payment Proposal, consider and either reject or approve the Interim Payment Proposal. If approved, the Parties shall agree in writing the effective date of the Interim Payment Proposal, which shall be dealt with under the Contract as an agreed change. Where the Authority rejects the proposal, the Supplier shall be entitled to resubmit the Interim Payment Proposal but shall amend the proposal to take into account any changes reasonably requested by the Authority.

6.4. The Parties shall use reasonable endeavours to avoid the use of the Interim Payment Proposal mechanism by identifying and utilising existing contractual mechanisms and provisions under the Contract to reduce the adverse impact of Covid Related Hardship on the Supplier, which may include:

- 6.4.1. relief against performance indicators;
- 6.4.2. relief and/or changes to delivery dates;
- 6.4.3. relief and/or delays to service credits; or

- 6.4.4. waiver or delay by the Authority of its remedies and rights under the Contract in whole or in part.
- 6.5. Where the Parties agree and implement an Interim Payment Proposal, the Supplier shall
- 6.5.1. [at the Authority's request, promptly provide a **Certificate of Costs** which sets out the Supplier's actual costs, expenses, cash flow and profits of providing the **Goods** and/or **Services** over the [3 months] prior to the effective date of the Interim Payment Proposal];
 - 6.5.2. ensure that the payments agreed under the Interim Payment Proposal are promptly and solely applied to the purposes for which they are paid, which may include payments to [Supplier Staff] and the Supplier's Contract supply chain; who are working on deliverables to be provided under or in connection with the Contract so as to reduce the adverse effect of Covid Related Hardship;
 - 6.5.3. make available to the Authority upon request any information and/or evidence (including the Open Interim Book Data) which the Authority may reasonably require in order to:
 - 6.5.3.1. verify and assure that the Supplier has applied the monies as agreed in the Interim Payment Proposal, including copies of accounts, ledgers, cash-flow forecasts and statements, balance sheets, profit and loss accounts and any other documentary evidence;
 - 6.5.3.2. verify and assure that monies intended for **Supplier Staff** performing the Contract have been properly and promptly paid; and
 - 6.5.3.3. pay invoices submitted by the Supplier's **Sub-contractors** and supply chain immediately on receipt;
 - 6.5.4. ensure that all invoices clearly set out which elements of the invoice that are attributable to the Interim Payment Proposal and which elements are business as usual; and
 - 6.5.5. maintain full records and a written audit trail of all Interim Payment Proposal activity in accordance with the general financial records provisions in the Contract (and such records shall be made available promptly to the Authority on reasonable request);
- 6.6. The Supplier shall not be entitled:
- 6.6.1. to include any profit in the Interim Payment Proposals to the extent that such profit might apply to elements of the Contract that are undelivered by the Supplier during the Covid Relief Period;
 - 6.6.2. to include any payments in the Interim Payment Proposals where there is no contractual volume commitment under the Contract;
 - 6.6.3. to any payments to the extent that the Supplier has been underperforming under the Contract and is subject to a current improvement plan or other remedial performance measure under the Contract; or
 - 6.6.4. to combine the Interim Payment Proposal with any other [government][public sector] COVID-19 related relief, grant, intervention or other measure which results in the Supplier receiving more than one benefit/relief for the same underlying cash-flow issue.
- 6.7. The Authority may at any time and in its sole discretion designate one or more additional Covid Relief Periods by notice to the Supplier from time to time. Any such notice shall specify which, if any, PPN contains the applicable rules and principles for the relevant Covid Relief Period.

6.8. ***[Drafting note: Authorities may need to make additional amendments to the contract.]***

7. If, in the reasonable opinion of the Authority, the Supplier:

- 7.1. fails to meet any obligation set out in this Variation;
- 7.2. receives any payment and fails to apply it to meet any proposal in the relevant Interim Payment Proposal;
- 7.3. takes undue advantage of any relief; or
- 7.4. fails to act transparently and with integrity,

the Authority may take all action necessary to recover any payments made to the Supplier during the relevant Covid Relief Period, including without limitation retaining or setting-off payment of any amount it owes to the Supplier at any time under this Contract or any other contract, to the extent that sub-paragraphs 7.1 – 7.4 apply to such payments.

Miscellaneous

- 8. The terms of this Variation shall be effective from the Variation Date.
- 9. Except to the extent set out in this Variation, this Variation shall not constitute a waiver of any right or remedy of the Authority or the Supplier arising before, during or after this Variation.
- 10. The Authority and the Supplier agree that any event arising from COVID-19 shall not give rise to any force majeure or frustration rights set out in the Contract to the extent that such rights are mitigated by any Interim Payment Proposal.
- 11. If there is an inconsistency between any of the provisions of this Variation and the provisions of the Contract, the provisions of this Variation shall prevail.

Please confirm your acceptance of the Variation countersigning this letter and returning a scanned copy to **[Authority email address]**.

If you have any queries, please contact the team on **[Authority's email address]**.

Yours faithfully,

[Insert name]
[Insert role]

For and on behalf of the Authority

We hereby acknowledge receipt and accept the terms of this Variation.


Signed: _____

For and on behalf of the Supplier

Position: [Director]/[Authorised Signatory]

Date:

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<p style="text-align: center;">Cabinet</p> <p style="text-align: center;">29th July 2020</p>	
<p>Report of: James Thomas, Corporate Director, Children's and Culture</p>	<p>Classification: Unrestricted</p>
<p>Report title: Update report on proposed changes to the Youth Service delivery model</p>	

Lead Member	Councillor Asma Begum, Cabinet Member for Community Safety, Equalities and Youth Service
Originating Officer(s)	Ronke Martins- Taylor, Divisional Director Youth and Commissioning Magdalene Bannis-Royer, Youth Service Strategic Development Lead
Wards affected	All wards
Key Decision?	Yes
Forward Plan Notice Published	15 June 2020
Reason for Key Decision	Financial Threshold Impact on Wards
Strategic Plan Priority / Outcome	People are aspirational, independent and have equal access to opportunities A better deal for children and young people: aspiration, education and skills

Executive Summary

The Youth Service provides a wide range of high-quality engaging opportunities and activities for young people aged 11-19 (up to age 25 if they have additional needs) to enable them to build their social and emotional skills, develop their own projects and enjoy safe spaces.

This is an update report on proposed changes to the Youth Service delivery model as requested by the 26th February 2020 Cabinet.

This report updates Cabinet on the delivery model for the Youth Service's universal and specialist commissioned activities; and the delivery arrangements for the in-house retained Youth Service, which will focus on contract management and oversight; strengthening youth voice and empowerment; and delivery of more intensive, targeted youth work as part of the creation of a 0 to 25 workforce in partnership with Early Help, and the Integrated Early Years' Service. The report

seeks approval:

- To tender for a 3-year (+1+1) youth activity contract valued at £1.2m for the period 2021 up 2026.
- To restructure the Youth Service to achieve MTFS.
- For a 4-month extension to the existing 12-month youth activity providers contract in order to pre-empt any delays in the award of the 2021 – 2024 contracts arising from the Covid 19 pandemic.

In modelling the new youth service officers are of the opinion that an additional Medium Term Financial Strategy (MTFS) savings of £100,000 for 2021/22 could be achieved in support of reducing the council's budget pressure. Support for this approach was given by the council's Corporate Leadership Team (CLT). It is intended that any agreed saving will be achieved through a reduction in the number of targeted workers in the internal Youth Service.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Approve the proposed model for delivery of commissioned and in-house youth activity provision.
2. Approve the commissioned contract value for centre based youth activity; detached youth projects; and specialist youth provision for the period 2021-2024 (CS5678).
3. Following tender, delegate authority to the Corporate Director Children's and Culture to award contract CS5678.
4. Authorise the Divisional Director, Legal Services to execute all necessary contract documents in respect of the awards of contract CS5678.
5. Approve a up to 4-month extension to the exiting providers 1-year contract due to potential delays in engaging with stakeholders during the Covid 19 pandemic.
6. Approve the additional MTFS savings of £100,000.

1 REASONS FOR THE DECISIONS

- 1.1. At its meeting on 26th February 2020, Cabinet requested that an update report be presented on proposed changes to the Youth Service delivery model before any changes are implemented
- 1.2. The need to achieve Medium Term Financial Strategy (MTFS) within the Youth Service.

2 ALTERNATIVE OPTIONS

2.1 Do nothing and maintain the status quo (not recommended): With this option the provision of Youth Service activity would continue under the current arrangements which have been in place since 2016/17 and which include the following:

- **Universal youth Hubs and specialist youth projects:** These are comprised of 8 x in-house universal Youth Hubs; 1 x in-house specialist arts service; 10 x externally commissioned universal Youth Hubs; 3 x externally commissioned specialist youth projects covering SEND, LGBTQi and an 11-year old project.
- **Central team:** The Youth Service senior management team; a commissioning and data team; and a participation team.

The Youth Service has a budget of £3.295m for 2020/21 of which £987,858 is spent on externally commissioned provision.

This option is not recommended as no Medium Term Financial Strategy savings could be realised; the imbalances between the funding and outcomes for internal youth provision and externally commissioned youth provision would be maintained; all round performance would not be improved; the service changes that have been highlighted through the 2019 Youth Service Review could not be implemented; and value for money would not be achieved. Appendix One (Youth Service Review 2019)

2.2 Provide a service that meets statutory requirements only (not recommended): With this option, the local authority would provide only a minimum Youth Service offer as required by law. This could be as little as signposting young people through a website or small amounts of grant funding. However, this option is not recommended as it does not align with Tower Hamlets Every Chance for Every Child priority which provides the right help at the right time; and supports young people to access enriching opportunities and activities.

2.3 Outsource the entire Youth Service (not recommended): With this option all Youth Service functions would be outsourced including universal Youth Hubs and youth participation. However, this option is not recommended as it could result in high management costs; and risks of subcontracting which could impact the quality of service delivery. Furthermore, it could risk undermining areas where a borough wide, council led, approach is required such as in youth participation work which supports young people's engagement in local democracy. The Youth Service has a very strong track record of working with and supporting the Young Mayors Team, Youth Council, the Children in Care Council and the Young Carers Project. This builds on a delivery of strong targeted work in partnership with Early Help. For this reason, outsourcing of the entire Youth Service is not recommended as there is a risk of losing vital in-house expertise.

2.4 **Deliver all youth activity in-house (not recommended):** With this option all youth activity would be brought back in-house to be delivered by the local authority with no externally commissioned provision. However, this option is not recommended because a wholly in-house delivered Youth Service would lack the ability to access the expertise and leverage additional funding, resources and assets that the community and voluntary sector are able to attract.

2.5 **Implement changes to the Youth Service based upon the model of delivery set out in this report (recommended):** The model is based upon the findings from the Youth Service Review 2019 and lessons learned. If the Youth Service Review findings are implemented, then the Service will be more responsive to the needs of children and young people; it will offer greater partnership engagement; and it will support the delivery of shared partnership outcomes. Under this recommendation a mixed economy Youth Service will provide a combination of commissioned and internally delivered services. It is proposed that universal and specialist youth service delivery are commissioned and that a retained in-house youth provision will focus on oversight of commissioning; strengthening youth voice and empowerment, and delivery of more intensive, targeted youth work. This model builds upon the commissioning expertise in the Youth Service; the findings of the Youth Service Review 2019; and offers opportunities to use the ability and talent of the Community Voluntary Sector (CVS) to fund raise and attract additional funds to enhance the youth offer across the borough.

2.6 This recommendation will also support the development of a 'One Youth Service' culture which will promote clear leadership from the Youth Service; diminish the distinction between in-house and commissioned services; and enhance service improvements, and the quality of the youth offer.

3 DETAILS OF THE REPORT

3.1. The Youth Service provides a wide range of high quality engaging opportunities and activities for young people aged 11-19 (up to age 25 if they have additional needs) to enable them to build their social and emotional skills, develop their own projects and enjoy safe spaces.

3.2. As part of the Youth Service Review 2019 the performance of both the commissioned and in-house providers was analysed. The analysis revealed:

- Commissioned providers engaged with more young people through universal services, than the in-house service;
- Specialist commissioned providers worked well with young people that have additional needs.
- In-house provision delivered effective robust participation with young people through the Youth Council, Young Carers, the Children in Care Council and the Young Mayors team; and, also, responded well to local events and emerging issues.

- There has been a pilot detached youth work running since 2019, in the North East quadrant. The learning from this has been the need to ensure that detached, street-based youth work activity is delivered in places where young people congregate as part of the new offer.

3.3. **Commissioned Youth Hubs and specialist projects:** These have been shown to offer better value for money when compared to the internally run projects. In addition to this the commissioned CVS are able to leverage additional funds to run projects based on local issues or emerging themes which would not be available to local authorities.

The CVS commissioned Youth Hubs and specialist projects deliver better performance than the internally run Youth Hubs as set out below:

Tower Hamlets Youth Service (Commissioned Provision) 3 Year Performance									
	2017/18			2018/2019			2019/2020		
	Target	Achieved		Target	Achieved		Target	Achieved	
		No.	%		No.	%		No.	%
Contacts	2779	3914	140.84%	4180	4723	112.99%	2505	5108	203.91%
Participants	1646	1676	101.82%	2598	2277	87.64%	1503	2394	159.28%
Recorded Outcome	991	1092	110.19%	1600	1462	91.38%	902	1416	156.98%
Accredited Outcome	494	499	101.05%	847	546	64.46%	451	519	115.08%

3.4. During 2019/20, the combined internal and commissioned Youth Hubs made Contact¹ with 7,756 young people. The table below shows the 3-year performance for the in- house Youth Hubs:

Tower Hamlets Youth Service (In-house Provision) 3 Year Performance									
	2017/18			2018/2019			2019/2020		
	Target	Achieved		Target	Achieved		Target	Achieved	
		No.	%		No.	%		No.	%
Contacts	6,040	2,564	42.45%	5740	2948	51.36%	3835	2648	69.05%
Participants	3624	1119	30.88%	3444	1355	39.34%	2301	1579	68.62%
Recorded Outcome	2174	417	19.18%	2066	350	16.94%	1381	1008	73.01%
Accredited Outcome	1087	322	29.62%	1033	401	38.82%	690	621	89.96%

However, whilst the achievement on Contact performance has improved since year on year, targets have not been achieved for Participants, Recorded Outcomes and Accredited Outcomes.

¹ **Youth Service Targets:** **Contacts:** 25% of 12- to 19 year olds population in the borough = 6340; **Participants:** 60% of Contact; **Recorded Outcome:** 60% of Participant; and **Accredited Outcome:** 30% of Participants

- 3.5. The management of youth contracts has also improved since 2017 and as a result the Youth Service has achieved better value for money.
- 3.6. The Youth Service has the following approved MTFS saving which been approved by budget council:

Year	Amount	Description	Date of decision
2020/21	£50k	Youth Service restructure (SAV / CHI 004 / 20-21)	Full council budget meeting 19 th February 2020
2021/22	£450k	Youth Service restructure (SAV / CHI 004 / 20-21)	Full council budget meeting 19 th February 2020
2021/22	£167k	Creation of 0-25 workforce (SAV / CHI 001 / 20-21)	Full council budget meeting 19 th February 2020

- 3.7. In modelling the new youth service officers are of the opinion that an additional Medium Term Financial Strategy (MTFS) savings of £100,000 for 2021/22 could be achieved in support of reducing the council's budget pressure. Support for this approach was given by the council's Corporate Leadership Team (CLT). It is intended that any agreed saving will be achieved through a reduction of 2 full-time equivalent targeted workers in the internal Youth Service.
- 3.8. **The wider Youth Offer across the borough:** The council is not the only provider of youth activities, there is a rich and vibrant youth activity sector led by the CVS. For example, the CVS in Tower Hamlets has directly accessed the Mayor of London Young Londoners Fund which awarded grants of £554,701 per annum; and, Tower Hamlets Local Community Fund has awarded grants of £554,286 per annum to CVS providers that deliver for our children and young people. As a result, there is an additional £1,108,987 of funding to support the delivery of borough wide youth activity. The table below highlights the additional £1.66m of funding that is coming into Tower Hamlets via the CVS through the Mayor of London Young Londoners Fund.

Young Londoners Fund Projects Delivered Exclusively in Tower Hamlets				
Name of organisation	Grant Amount 2019/20	Project title	Start Date	End Date
Poplar HARCA	£767,635	Get Involved	01/10/2018	31/10/2021
Kazzum Arts Project	£116,153	The Build Programme	01/01/2019	31/12/2021
Dawaitul Islam	£149,897	The Safe Campaign.	30/10/2018	30/11/2021
Newark Youth London	£144,375	AcE Futures	01/01/2020	31/12/2022
Osmani Trust	£150,000	Osmani Trust Project	01/01/2020	31/12/2022
Rich Mix Cultural Foundation	£149,577	Rich Mix and Grit	01/01/2020	31/12/2022

Shadwell Basin Outdoor Activity Centre	£ 98,496	ELMV Shadwell Basin Project	01/01/2020	31/12/2022
South Poplar and Limehouse Action for Secure Housing	£ 87,972	SPLASH Youth Engagement Project	01/10/2018	30/09/2021
Total annual funding	£554,701			
Total funding over 3 years	£1,664,105			

There is also a need to ensure that the Youth Service makes effective links and partnerships with those organisations that are funded to deliver in Tower Hamlets whether the Service commissions them or not.

3.9. What follows is detailed information about how it is proposed that the Youth Service will be configured for the delivery of commissioned centre based, detached and specialist youth activity; and, in house targeted delivery. The proposed new delivery model for centre-based youth activity; detached youth projects; and specialist youth activity for the period 2021-2024

3.9.1. **Methodology for the identification of youth centre locations:** The new delivery model for commissioned youth centres is based on the following criteria to determine ideal locations:

- The provision of high-quality youth centres
- The use of Income Deprivation Affecting Children Index
- Quadrant level youth population
- Lack of alternative to local authority youth hubs in the quadrant

The rationale for the location for each youth centre is based on the criteria below:

- I. **High-quality, borough run, youth centres:** Young people have told us that they want access to youth provision in high quality centres as this promotes, amongst other things, a sense of security and acts as a safe space. The focus here is on the identification of high-quality youth centres that are run by the borough as these spaces will not have to be commissioned. However, it should be noted that Tower Hamlets also has several high-quality youth centres that are run by the community and voluntary sector (e.g. Spotlight, Osmani).
- II. **Location of youth centres based on childhood poverty** The Income Deprivation Affecting Children Index (IDACI) has been used to identify the best location for youth centres based on childhood poverty. The IDACI is an index of poverty that measures the proportion of all children aged 0 to 15 living in income deprived families. As at 2019 the child poverty rates in Tower Hamlets is the highest of all the London Boroughs with 57% of children judged to be living in households in poverty compared to 38% in the typical London Borough.² Children who live in poverty should be able to access a varied youth offer.

² <https://www.trustforlondon.org.uk/data/boroughs/tower-hamlets-poverty-and-inequality-indicators/>

- III. **Location of youth centres based on quadrant level population:**
The quadrant youth level population for 10-19 year olds in Tower Hamlets provides an indication of those quadrants with the highest youth population that would best benefit from having a youth centre.
 - IV. **Lack of alternative local authority youth hubs in the quadrant:**
Certain quadrants in the borough such have limited youth facilities such as on the Isle of Dogs and in St Katherine's and Wapping. Priority will be given to ensuring that these youth hubs are retained in the proposals.
- 3.9.2. **The Offer:** The proposed model of delivery will encapsulate the partnership working at its best. It will deliver the broadest possible youth offer provided through partnership working with the CVS, schools, faith and community organisations. Under this proposal the four quadrants in the borough will have access to the youth offer as set out below:
- The borough is divided into **four quadrants** in the north west, south west, north east and south east. Each quadrant has a **minimum of 2 youth centres**. However, in total there are 10 proposed youth centre locations covering all four quadrants of the borough; and, so two quadrants will have 3 youth centres each.
 - Each quadrant will have one **detached youth offer** that will undertake street based youth work with hard to reach groups of young people, who have been identified, for example, by the community, police, community safety and schools. Across the four quadrants the detached teams will work in partnership with the community to provide a youth offer in places where young people congregate. Detached teams can work from a variety of bases including, for example, children's centres and youth centres.
 - **Specialist Projects** are aimed at groups of young people that may require dedicated support.
 - **Participation and engagement:** The in-house service will have a dedicated youth participation and engagement team that will ensure that young people are empowered, with support; and that their voices are heard and acted upon using the following approach:
 - Young Mayor's team,
 - Youth council,
 - Young carers, and the
 - Children in care council.
 - **Targeted work:** The Youth Service will work in partnership with the Integrated Early Years' Service and Early Help to create a 0 to 25, all age workforce and offer that will focus on delivering pre-statutory support to child and families. Clear pathways will be developed to support young people to access positive activities including those at risk of:

- exploitation
- family violence
- domestic abuse
- parental mental ill health concerns
- substance misuse
- being excluded from school or at risk of school exclusion
- involvement in youth crime or anti-social behaviour.

The 0-25 workforce will support families, in the following ways:

- Offer whole family working,
- Offer Early Help,
- Use restorative practice approaches
- Deliver greater partnership working between internal and external partners in each quadrant.

- **Accreditation:** As part of the youth offer all young people will be given the opportunity to participate in the Duke of Edinburgh Award as the standard accreditation for Youth Service.

All parts of the borough will have an offer for young people either at a centre, or through detached youth work activity or through specialist provision.

The table below provides information on the proposed locations of youth centres and detached youth work activity across the four quadrants:

Quadrant	Proposed Youth Activity	Quadrant Youth Population (Mid Year 2018 ³)	Quadrant IDACI score range	Comments
North east	<ul style="list-style-type: none"> 3 x Youth Centre (to be commissioned) 1 x Detached team 	7,334	26 – 170	<p>Youth population: This quadrant has a high - level youth population and therefore three youth centres are proposed.</p> <p>Detached youth offer: All quadrants have a detached youth offer.</p>
North west	<ul style="list-style-type: none"> 2 x Youth Centre (to be commissioned) 1 x Detached team 	6,737	33 - 100	<p>Youth population: This quadrant has a high level youth population; however, there is very high-quality youth centre provided by the CVS in the quadrant. Therefore 2 youth centres are proposed.</p> <p>Detached youth offer: All quadrants have a detached youth offer.</p>
South east	<ul style="list-style-type: none"> 2 x Youth Centre (St Andrews Wharf and Limehouse Youth Centre) 1 x Detached team 	6,597	27 - 320	<p>Youth population: This quadrant has a high level youth population; however, there is very high-quality youth centre provided by the CVS in the quadrant. Therefore 2 youth centres are proposed including St Andrews Wharf which is the only dedicated youth space in the area.</p> <p>Detached youth offer: All quadrants have a detached youth offer</p>
South west	<ul style="list-style-type: none"> 3 x Youth Centre (Haileybury, Wapping and Christian Street Youth Centre) 1 x Detached team 	6,526	53 - 271	<p>Youth population: Lowest youth population of all quadrants. There are two existing local authority high quality youth centres are located in the quadrant. Wapping is the only dedicated youth space in the area.</p> <p>Detached youth offer: All quadrants have a detached youth offer</p>
n/a	<ul style="list-style-type: none"> 1 x Detached team 	n/a	n/a	Location to be determined

3.9.3. Summary of changes

The table below sets out the proposed changes when compared to the current offer. It can be seen that:

³ Latest ONS experimental population estimates for the youth population by ward. These are for mid-2018 – the 2019 estimates are not expected until October 2020.

- There is a significant increase in the commissioning budget which is proposed to be increased by 21.6%.
- All parts of the current offer (universal, specialist, detached, participation, contract management, central salary costs etc.) continue to be provided. Link finance comments on centralised costs

	2020/21	2021/22	Comments
Commissioned <ul style="list-style-type: none"> • 8 x Commissioned youth activity providers • 3 x specialist projects 	£987k	N/A	Current 2020/21 Youth Service delivery model
Internal <ul style="list-style-type: none"> • 10 x In-house universal youth hubs 	£1.249m		£1.249m is the estimated value of internal delivery across the 10 hubs
Centralised costs	£448k		Does include Contract monitoring, participation, data performance and centralised salaries.
Commissioned <ul style="list-style-type: none"> • 10 centres based, • 5 detached teams • 4 specialist projects 	N/A	£1.2m	Proposed 2021/22 Youth Service funding for commissioned services has increased by 21.6%
Internal <ul style="list-style-type: none"> • Targeted team • Participation • 1 Manager and 2 officers • Youth Service management costs including Commissioning team, Participation manager and caretaker 	N/A	£601k	<p>New team working with Early Help and Integrated Early Years that will focus on delivering pre-statutory support to child and families.</p> <p>Young Mayor's team, Youth council, Young carers, and the Children in care council.</p> <p>Proposed Youth service manager management team consist of Youth service manager commissioning manager and data officer.</p>
Uncontrollable costs including depreciation, support services, premises costs)	£612k	£329k	
Total	£3.296m	£2.130m	

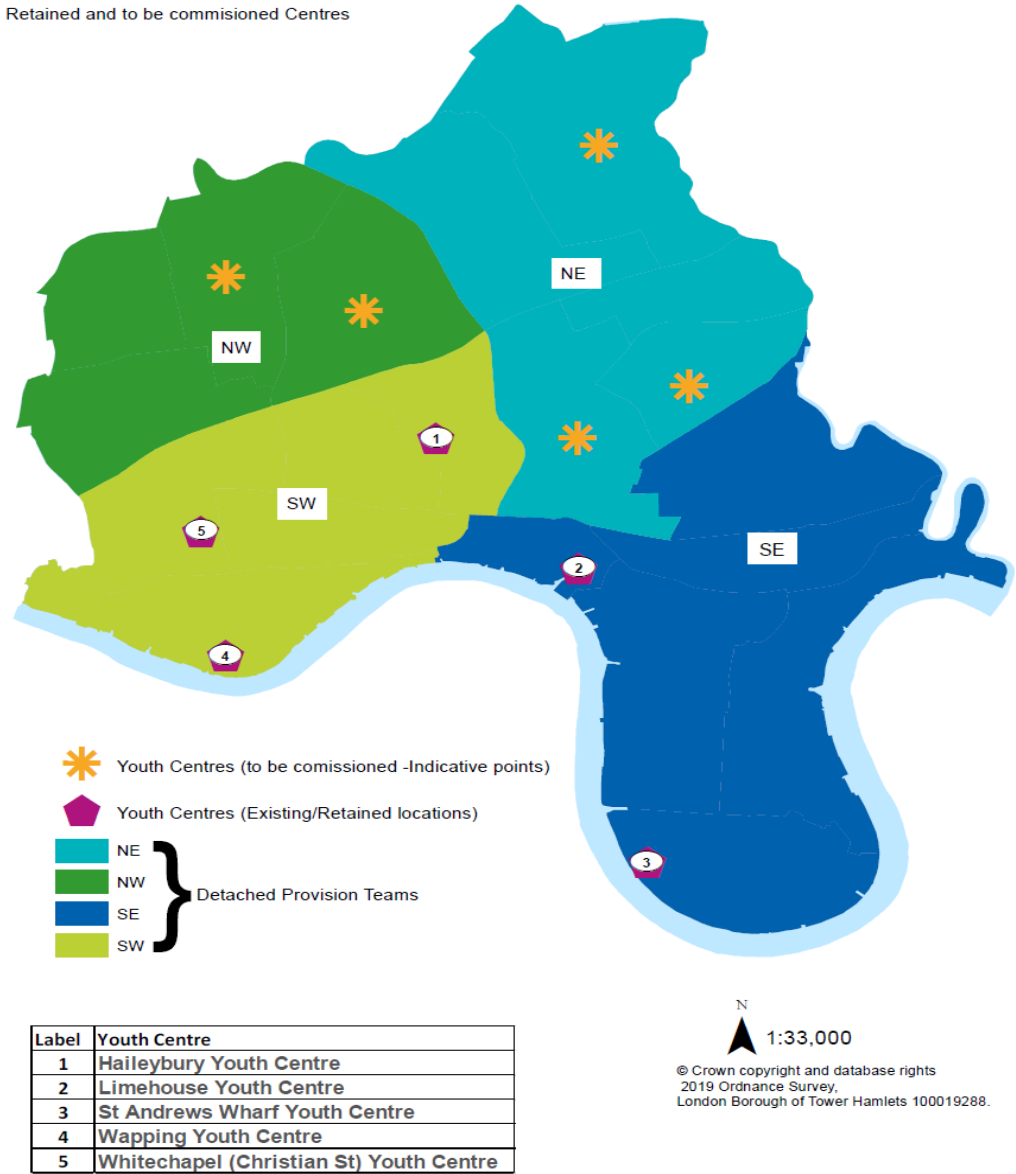
3.9.4. The Youth Service currently has a budget of £3.296m for 2020/21 of which £988k is spent on externally commissioned provision. However, £399k of

this budget relates to business support which is been centralised in 2020 and excluded from the proposed changes to the youth service.

Below is a visual representation of the proposed locations of youth centres and detached youth work activity by quadrant.

Youth Centre Proposals

Retained and to be commissioned Centres



3.10. **The structure of the proposed Youth Service:** This is comprised of 2 parts as described below:

3.10.1. **Commissioned youth provision:** This part of the proposed service reinforces Tower Hamlets' commitment to utilising the expertise of voluntary and community organisations to deliver high-quality youthwork across the borough through a mix of centre based, detached and specialist provision. Commissioned providers will need to demonstrate their ability to provide:

- Universal provision or specialist youth work for young people from ages 11 to 19 using centre based or detached methods.
- Youth activity sessions for 4 days a week of which one session must be delivered on a Friday. Providers will need to evidence which days of the week the project intends to open based on demand analysis.
- Focused work with young women and girls, Somali groups and other groups who are under-represented in the Youth Service.
- Activities that are monitored and measured to achieve the agreed outcomes.

The total value for the Commissioning youth activity contracts is £1.2m which will be divided into the following lots:

- **Lot 1:** Universal - 10 centres covering the four quadrants of the borough. Each quadrant will have a minimum of 2 centre. There will be five retained youth centres (Limehouse, Haileybury, St Andrews Wharf, Christian Street and Wapping) will be offered for use subject to a license to a newly commissioned provider. Five new youth centre locations to be commissioned. Estimated cost up to £640k
- **Lot 2:** Specialist - Four specialist projects (e.g. Arts, LGBTQi, SEND) estimated cost up to £204k
- **Lot 3:** Detached - 5 detached teams to cover the four quadrants of the borough. Estimated cost up to £320k

3.10.2. **The internal Youth Service:** This will deliver the following functions:

- **Targeted youth work:** Through the 0-25 workforce there will be a circa 30 FTE staff across Early Help, Early Years and the Youth Service who will work with families, children and young people. The targeted youth work team will work exclusively to provide adolescent support to 11-19-year olds.
- **Participation and engagement:** Supporting the Young Mayors, CICC and Young Carers
- **Contract Management of commissioned providers:** This function will be moved into the Integrated Children's Commissioning Team. Robust contract management will be undertaken of all commissioned providers.
- **Data and performance monitoring:** This function will be moved into the Strategy Performance and Policy Team. Robust performance will be undertaken of all commissioned providers.
- **Asset and Facilities Management:** It is proposed that this function will be moved into the corporate facilities management.

3.11. **Outcomes:** In order to determine whether the offer is having impact in the lives of children and young people a Tower Hamlets Outcomes Framework will be implemented to measure change. The outcomes measures will include the following elements:

- Young people feel that they are supported to make changes in their lives, in the lives of another young people they represent and their communities
- Young people have a sense of a brighter futures, with a focus educational attainment, employment, mental and physical health and well-being.
- Young people feel able to access early support through the 0 -25 workforce (adolescents support) and other early help opportunities.
- Young people are supported as part of the whole family, where appropriate, using the following approach:
 - The implementation of whole family working,
 - Support for families that require Early Help,
 - The use of restorative practice approaches, and
 - The delivery of greater partnership working between the local authority's Early Help services with our external partner
 - Young people increase their critical thinking skills by attaining accreditation such as Duke of Edinburgh Bronze Award.

3.12. Indicative Budget for the proposed Youth Service for 2021/22

The indicative budget for in house delivery is as set out below:

Area of work	Description	Indicative Grade	Indicative Salary with on-costs (£) (000)	Budget (£) (000)
Commissioned Services				
Commissioned Youth Activity	n/a	-	-	1.164
Detached activity budget				36
Internal Youth Service				
Deputy Head of Youth Service	Strategic leadership of the service	Grade L	67	
Commissioning Team	Commissioning manager	Grade L	59	
Data and performance monitoring	Data officer	Grade H	45	
Direct Youth work (Targeted and Youth Participation)	Team Manager (Targeted Youth - 0-25 workforce and Participation)	Grade K	63	
	4 x Targeted youth workers (0-25)	Grade I	210	
	2 x Participation officers	Grade H	91	
	Activity budget for direct youth work		26	
Asset and Facilities management	Caretaker	Grade F	40	
	Sub Total operational delivery		£601	
Other Non-Pay Costs	Premises-Related Expenditure		71	
	Transport-Related Expenditure		6	
	Supplies & Services		252	
	Sub Total Other Non-Pay Costs		329	
	Sub-Total		930	
	Total			£2.130

3.13. Key Considerations

Future youth community infrastructure opportunities: The Youth Service understand that there are a number capital project being planned which could yield Community Infrastructure Levy (CIL) which could result in new youth infrastructure being developed subject to planning. As these opportunities arise the restructured Youth Service has the inbuilt flexibility and adaptability to ensure the that these opportunities are capitalised on behalf of young people

Covid-19: During the Covid-19 we have engaged with key of stakeholders to ensure that we are cognisant of new ways of engaging with young people that take into

account the need to socially distance and to incorporate increased virtual/on-line offers for young people. The following actions were taken to better understand our post Covid-19 youth delivery:

- A Zoom meeting was held with providers, organised by the Youth Service and Volunteer Centre Tower Hamlets. The meeting was well attended by 42 professionals from 30 different organisations. One of the key learning points from this meeting was that consideration needs to be given to the post Covid-19 youth offer.
- A meeting was held with the Young Mayors Team. One of the key learning points from this meeting was the need to retain physical youth centres as safe spaces for young people.
- Engagement with parents to discuss their views on how youth work supports the engagement with young people. A meeting was held in June 2020 with 26 parents resident across 17 all four quadrants. One of the key learning points from this meeting was the importance of all young people regardless of ethnicity and gender have access to the youth offer.

The key learnings from these stakeholder meetings will enable the Youth Service to incorporate effective change as it sets out to restructure.

Community use of the council run youth hubs: As part of the development of the 'One Youth Service culture', which encourages greater leadership by the service in partnership with youth activity providers in the community and voluntary sector, organisations will be given the opportunity to use youth hub facilities. In order to support this the Youth Service will:

- Develop a process, in line with Tower Hamlets Venue Hire Policy in partnership with Asset and Facilities Management, to support greater access by the CVS of youth hub facilities. The process will be in place by 1st April 2021.
- Meetings with Community Voluntary Sector (CVS) will be undertaken to encourage the use of buildings during non-opening times.

3.14. Risks and Mitigation

Risks	Mitigation
<p>Organisation not applying for the contracts due to cost of TUPE.</p> <ul style="list-style-type: none"> • Smaller CVS organisations may not be able to afford to transfer youth workers from the local authority into their organisation. Transfer of Undertakings (Protection of Employment) Regulations (TUPE) will apply and the 	<ul style="list-style-type: none"> • The council to consider alternatives to Admitted Body Status that alleviate the pensions costs to CVS organisations • TUPE information will be provided prior to the tender process to assist potential bidders in determining if this is viable for them. • Consortia arrangements will be encouraged.

burden of maintaining staff terms and conditions may deter organisations from applying.	
Reputational risk <ul style="list-style-type: none"> The council could be perceived as favouring larger CVS providers over smaller organisations 	<ul style="list-style-type: none"> Consortia arrangements will be encouraged. Additional support and engagement should encourage organisations to discuss any concerns at an early stage.
Lack of interest from the community and voluntary sector in applying for the contracts <ul style="list-style-type: none"> Failure to award contracts 	<ul style="list-style-type: none"> Contingency plans will need to be in place if submissions are fewer than expected for each lot: or if contracts cannot be awarded. Mitigations could include: <ul style="list-style-type: none"> Continuation of delivery by the in-house service until contract can be awarded Focused work with CVS to understand concerns or reason for lack of interest
Youth activity applicants for the contracts are non-Tower Hamlets based organisations.	<ul style="list-style-type: none"> All applicants will have to demonstrate examples of delivering local youth activity

4. CONCLUSION/NEXT STEPS

- 4.1. If Cabinet agrees to the recommendations set out in this paper it is proposed that:
- Any tender documents will be published in September 2020.
 - It is proposed that new providers commence contract by 1st April 2021.
 - It is proposed that the Handling Organisational Change procedures will be followed for the Youth Service restructure including full consultation with staff.
 - Extending existing contracts by 4 months subject to Cabinet approval.

5. EQUALITIES IMPLICATIONS

- 5.1. A full equality impact assessment will be undertaken as part of the restructure process.

6. OTHER STATUTORY IMPLICATIONS

- 6.1. This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:
- Best Value Implications,
 - Consultations,
 - Environmental (including air quality),

- Risk Management,
- Crime Reduction,
- Safeguarding.
- Data Protection / Privacy Impact Assessment.

6.2. No other statutory implications.

7. COMMENTS OF THE CHIEF FINANCE OFFICER

- 7.1. This report requests approval to tender for a 3-year (+1+1) youth activity contract valued at £1.2m for the period 2021 up 2026 and also approve a 4-month extension to the existing 12-month youth activity providers contract in order to pre-empt any delays in the award of the 2021 – 2024 contracts arising from the Covid 19 pandemic.
- 7.2. This report also seeks approval to restructure the Youth Service to achieve MTFS savings.
- 7.3. The Youth Service currently has a budget of £3.296m for 2020/21 of which £988k is spent on externally commissioned provision. However, £399k of this budget relates to business support which is been centralised in 2020 and excluded from the proposed changes to the youth service.
- 7.4. The restructuring of the Youth Service is underpinned by the MTFS savings proposal. The total approved savings target for the service is £667k. The detail of these savings are to be achieved through *transformation of service delivery following the Youth Service Review (SAV / CHI 004 / 20-21)* which will save £50k in 2020/21 and £450k in 2021/22; and the *rationalisation and development of early help services from conception to age 25 (SAV / CHI 001 / 20-21)* which will save £167k. A further saving of £100k will also be delivered as part of this proposal.
- 7.5. The recommended proposal on this report is for the Youth Service provision to be delivered through a mixed economy which can be delivered through the existing budget envelope.

8. COMMENTS OF LEGAL SERVICES

- 8.1. Section 507B of the Education Act 1996 imposes a duty on a local authority to secure sufficient educational and leisure activities, and facilities for those activities, for all young people in their area aged 13 to 19, and for young people in their area with a learning disability aged 20 to 24. Wide discretion is given as to the way in which this duty is met; it may include direct provision as well as making arrangements with others to provide the service and / or facilities. There is also statutory guidance 'Statutory Guidance for Local Authorities on Services and Activities to Improve Young People's Wellbeing', published in June 2012. The proposals set out in this report comply with this legislation and guidance.

- 8.2. The commissioning activity is of a value which will require the opportunity to be advertised in Europe. However, the variety of services detailed in this report is referred to in Schedule 3 of the Public Contracts Regulations 2015 which means that the tender will be subject to the “light touch” regime allowing flexibility in the proposed methodology of tendering. However, the methodology must in any event ensure that all bidders are treated in a fair, open and non-discriminatory fashion.
- 8.3. The Council has the legal duty to ensure that the functions which are delivered via the procured contracts represent Best Value in terms of economy, efficiency and effectiveness. The lots will be awarded to the best scoring bidders based upon pre-advertised and non-discriminatory evaluation criteria which will assist in demonstrating Best Value. The resulting contract will be monitored to ensure that delivery meets the standards set by the contract.
- 8.4. Reference is made in the report for the potential transfer of staff to the winning bidders. Staff will have the right to transfer if they are currently substantially deployed on the services which will be provided by the winning bidder. The Council (and any existing providers) will be required to undertake consultation with affected members of staff prior to any transfer and the timescales (as set by the TUPE regulations) for this will be included in the contract mobilisation period.
- 8.5. The Council has a statutory duty (as described above) to provide these services. Therefore, it is essential that there is no break in the provision of the existing services prior to the commencement of any newly procured services. It is advisable, following the impact of the Covid epidemic on the procurement timescales to extend any existing contracts as referred to in the recommendations to ensure that there is a seamless transfer of the services. It is clear that the Council is not intentionally being anti-competitive by awarding such unprocured extensions as the Council is undertaking a compliant procurement exercise and the extensions are required to only to ensure compliance with the Council’s statutory obligations.
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Linked Reports, Appendices and Background Documents

Linked Report

- None.

Appendices

- Appendix one: Youth Service Review 2019
- Appendix two: Wards and quadrants list

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

- None

Officer contact details for documents:

Ronke Martins-Taylor Divisional Director Youth and Commissioning

Appendix two

Geographical location	Quadrant
Bow East	North east
Bow West	North east
Bromley North	North east
Bromley South	North east
Mile End	North east
Bethnal Green	North west
Spitalfields and Banglatown	North west
St Peter's	North west
Weavers	North west
Blackwall and Cubit Town	South east
Canary Wharf	South east
Island Gardens	South east
Lansbury	South east
Limehouse	South east
Poplar	South east
Shadwell	South west
St Dunstan's	South west
St Katherine's and Wapping	South west
Stepney Green	South west
Whitechapel	South west

The Youth Service Review
Survey Findings Report
July – November 2019

Introduction

In July 2019 a review commenced of the Youth Service in the London Borough of Tower Hamlets which sought to:

- To consult with internal and external stakeholders across service providers
- To undertake a series of engagement conversations, as well as direct observation and engagement with practitioners in the service, to seek their views on what a transformed youth service could look like
- Undertake capacity, learning and developmental assessments to better understand gaps in service delivery as well as processes, systems, procedures and protocols.
- Undertake desk research and analysis of key drivers, opportunities, participation rate and impact on participants, and where necessary and appropriate, offer options for consideration.
- Identify future delivery options for the service.

An online questionnaire was created, aimed at young people, to elicit their views on the youth service delivery, activities their concerns.

The Youth Service undertook consultations with children and young people as well as their parents, key stakeholders including elected members, CVS commissioned providers and Council agencies/departments.

Between July and November 2019, 816 surveys were completed by young people aged 11- 25 years.

The findings of the Youth Service Review surveys will be used to inform the Council as it decides on options for the future delivery of youth services in London Borough of Tower Hamlets.

Methodological approach

The young people's survey was developed and piloted with the Youth Council; and the Young Mayors Team led on the Young people's consultation.

On-line questionnaires were created for the consultation, aimed at young people. Paper copies of the survey were also available.

Stakeholder organisations, elected members and parents took part in task and finish groups to explore what they felt were the issues facing the young people they work with, what was working well and what was missing.

Survey analysis

Demographic information

The basic demographic information of those who completed the survey is as set out below:

Young people: Basic demographic information

- **Gender:** 48.77% (298) of the respondents were male; and 32.90% (201) of were female. 2.78% (17) defined themselves as intersex and 15.06% (92) preferred not to say.
- **Age:** 58.78% (358) of the respondents were under 15 years. 28.74% (175) were between 16-24 years.
- **Ethnicity:** 47.60% (287) of the respondents identified as Asian Bangladeshi; with the next largest group preferring not to say 15.59% (51).
- **Religion:** 69.12% (414) of the respondents identified their religion as Muslim; with the next largest group preferring not to say (16.69% (100)).
- **Disability:** 12.85% (27) of the respondents indicated that they had a disability sensory or physical disability, 10.95% (230) stated mental health as an issue. However, 70.48% (148) preferred not to say.
- **Attending youth centres:** 71.8% of those who answered this question indicated that they did attend a youth facility; and they rated their experience as good to excellent.

A brief analysis of those that completed the surveys is set out below.

Young people survey data analysis:

- 58.9% of young people expressed satisfaction with the facilities whilst 35.8% remained neutral.
- 51.9% were satisfied with the opening times of the youth hubs whilst 40.5% did not express either satisfaction or dissatisfaction.
- 66.7% enjoyed the activities that they attended; and 50.3% enjoyed taking part in workshops.
- The top 5 responses to how young people spend their spare time are set out below:
 - o 58.65% surf the internet.
 - o 53.87% view social media
 - o 48.76% spend time with family
 - o 46.29% listen to music
 - o 43.82% socialise with friends
- 39.37% spend time at home; with only 17.79% of respondents saying that they would spend their spare time in a youth centre.
- Young people indicated that they would talk to their parents (61.69%) or friends (52.20%) about their career aspirations.

- More young people are concerned about issues of crime and personal safety (41% indicated that this was their number 1 issue). The major concerns surrounded drugs misuse and drug selling, which was seen as a particular problem in Tower Hamlets. Some young people were concerned that this (drugs) might lay at the heart of the knife crime in the borough.
- 22% wanted to see more advice and guidance provided in youth centres. This was especially highlighted around issues that they felt they had no other safe space to explore, such as sexuality, mental health and other issues about which they were anxious.
- 10% expressed desire to have the opportunity to explore employment and employability in youth sessions.
- Only a small proportion of respondents (5%) expressed concerns over their school.

Stakeholder engagement analysis:

Parents' comments

- Parents were about the safety of their children getting home after the youth sessions had closed. However, they also felt that youth centres could benefit from staying open later, at times, especially for older youths to enable them to enjoy activities in a safe environment.
- Parents wanted young people to be more involved in shaping youth services as they expressed that young people often had good ideas but needed support. They also wanted youth centres to offer advice on careers and apprenticeships

Elected Members

- Elected members were keen that youth centres created safe spaces with trusted youth workers who could support young people.
- It was felt that intercultural issues that played out on the streets, primarily between young men, could be addressed effectively through youth sessions which could be used to challenge stereotypes and break down barriers.
- The lack of young women and girls attending youth centres was highlighted; and the possibility it was suggested that girls only sessions would encourage participation.
- Partnership working could be used to create a seamless youth service facilitating and supporting young people through different stages of their life.
- There needs to be skilled staff in the service to work with vulnerable and universal young people; and, staff training made available to both in-house and commissioned staff.

Youth Activity Providers comments

- The commissioned providers are concerned about youth anti-social behaviour and youth crime and how these impacted their work with young people.
- The issue of continued funding and anxiety about the future Youth Service delivery model were expressed and the need work effectively together to the absence of gaps in provision and provide inclusive safe provisions for young people.
- More co-ordination of services was needed.
- Shared learning could be used to share best practice.
- There was a need for greater facilitation of joint working between the voluntary and statutory sectors.
- More support was needed to aid in liaising with schools.

Recommendations

Key recommendations have been identified from the survey findings.

Young people:

- a) Ensure that young people's views are embedded as a key feature of the youth service review.
- b) Ensure that young people are consulted and their views acted upon in relation to the activities that they are interested in are taken into account in any future commissioning activity for youth provision.
- c) Provision of a youth activities programme that cover the core areas that young people are interested including the provision of :
 - Sporting activities
 - Courses/Training or Workshops
 - Support into education training and employment
 - Outreach/detached activities
 - Innovative summer projects
- d) Ensure that young people are provided with sufficient physical space in well-equipped youth centres.

Parents:

- e) Ensure that youth activity programme information and timetable is available in schools, via email or some other electronic media.
- f) Provision for girls' only sessions.




Stakeholders:

- g) Regular partnership work should be undertaken with stakeholders to address their concerns for young people and their priorities for partnership working.

Youth Services Consultation Responses








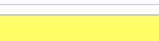





1. How old are you?			Response Percent	Response Total
1	Under 11		0.99%	6

1. How old are you?

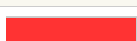



			Response Percent	Response Total
2	11-15		62.40%	380
3	16-20		30.87%	188
4	21-25		5.75%	35

Youth Service

2. What youth service(s) have you used?

			Response Percent	Response Total
1	Girls group		8.90%	51
2	Boys group		9.60%	55
3	Performing arts		8.03%	46
4	Creative arts		9.95%	57
5	Sports		47.12%	270
6	Healthy lifestyle		6.11%	35
7	Trips/Residential		43.63%	250
8	Youth centres		33.16%	190
9	Community centres		8.38%	48
10	Outreach		2.27%	13
11	Religious groups		24.61%	141
12	Uniformed groups (Scouts, Cadets etc.)		5.24%	30
13	Other (please specify):		6.98%	40

3. How would you describe your experience of the Youth Service:






			Response Percent	Response Total
1	Excellent		27.23%	159
2	Good		44.52%	260
3	Average		18.15%	106
4	Fair		6.85%	40






5	Poor		3.25%	19
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4. To what extent are you satisfied or dissatisfied with the following:



	Very satisfied	Satisfied	Neutral	Dissatisfied	Very dissatisfied	Response Total
Facilities	20.5% (116)	38.4% (218)	35.8% (203)	2.3% (13)	3.0% (17)	567
Opening times	19.6%(111)	32.3% (183)	40.5% (229)	5.1% (29)	2.5% (14)	566
Activities	27.1%(155)	39.6%(226)	26.6% (152)	3.3% (19)	3.3% (19)	571
Workshops	20.3%(113)	31.0%(173)	37.5% (209)	6.6% (37)	4.7% (26)	558

Matrix Charts

4.1. Facilities			Response Percent	Response Total
1	Very satisfied		20.5%	116
2	Satisfied		38.4%	218
3	Neutral		35.8%	203
4	Dissatisfied		2.3%	13
5	Very dissatisfied		3.0%	17

4.2. Opening times			Response Percent	Response Total
1	Very satisfied		19.6%	111
2	Satisfied		32.3%	183
3	Neutral		40.5%	229
4	Dissatisfied		5.1%	29
5	Very dissatisfied		2.5%	14

4.3. Activities			Response Percent	Response Total
1	Very satisfied		27.1%	155
2	Satisfied		39.6%	226
3	Neutral		26.6%	152
4	Dissatisfied		3.3%	19
5	Very dissatisfied		3.3%	19

4.4. Workshops			Response Percent	Response Total
1	Very satisfied		20.3%	113
2	Satisfied		31.0%	173

4.4. Workshops			Response Percent	Response Total
3	Neutral		37.5%	209
4	Dissatisfied		6.6%	37
5	Very dissatisfied		4.7%	26

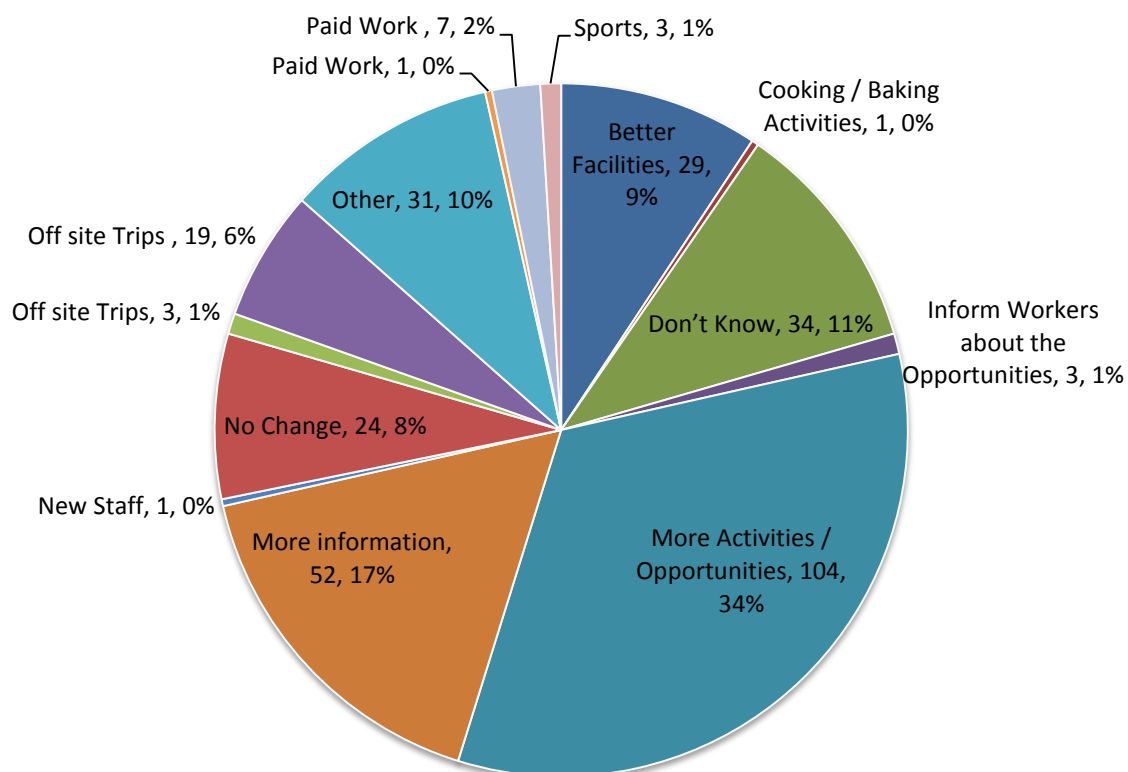
About You

5. What do you do in your spare time?			Response Percent	Response Total
1	Read		23.72%	144
2	Study		35.75%	217
3	Social Media		53.87%	327
4	Play video games (Xbox, PlayStation etc.)		45.96%	279
5	Socialise with friends		43.82%	266
6	Stay at home		39.37%	239
7	Watch TV		40.69%	247
8	Surf the internet		58.65%	356
9	Spend time with family		48.76%	296
10	Play Sports		34.93%	212
11	Listen to Music		46.29%	281
12	Play an Instrument		6.92%	42
13	Go to a youth centre		17.79%	108
14	Other (please specify):		6.75%	41

Education and Employment

6. Who do you talk to about career aspirations?			Response Percent	Response Total
1	Parent		61.69%	364
2	Teacher		25.42%	150
3	Friend		52.20%	308
4	Youth Worker		11.86%	70
5	Other (please specify):		12.03%	71

7. How could we improve our work experience and volunteering opportunities?



Youth Participation and Citizenship









8. Have you heard of any of these groups? Please select all of the groups you have heard of:

			Response Percent	Response Total
1	Young Mayors Team	<div></div>	48.74%	289
2	Youth Council	<div></div>	28.84%	171
3	School Council	<div></div>	76.05%	451
4	Young Commissioners	<div></div>	8.26%	49
5	Children in Care Council	<div></div>	8.09%	48
6	Young Leaders	<div></div>	29.01%	172
7	I haven't heard of any of	<div></div>	13.15%	78

8. Have you heard of any of these groups? Please select all of the groups you have heard of:




		Response Percent	Response Total
	these groups		

9. Where did you find out about these groups?




			Response Percent	Response Total
1	Youth Centre/Hub		12.00%	66
2	Online		23.09%	127
3	School		76.00%	418
4	Youth Groups i.e. Youth Council,		5.09%	28
5	Friend		27.64%	152
6	Youth Worker		10.55%	58
7	Social Media		19.09%	105
8	Other (please specify):		5.64%	31

Health and Wellbeing

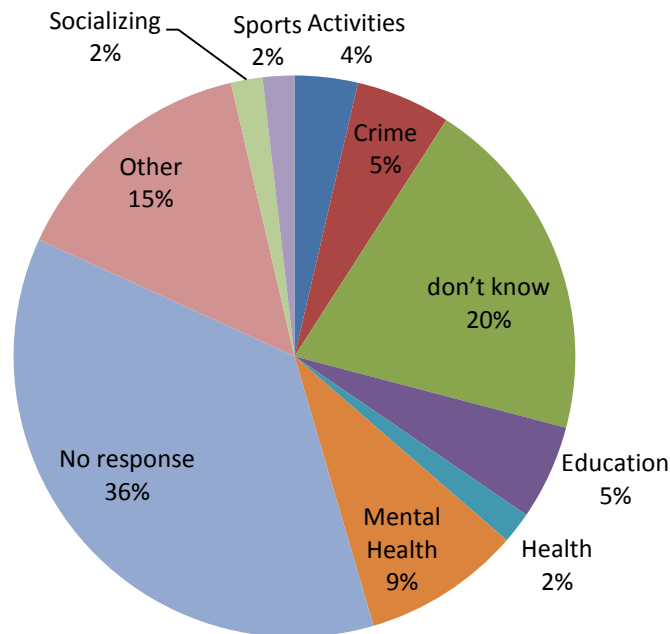
10. Do you feel confident seeking help for any issues that affect your health and wellbeing?

			Response Percent	Response Total
1	Yes		47.03%	277
2	No		15.28%	90
3	I don't know		37.69%	222

11. Do you think the Youth service should support you with any health issues you may have?






			Response Percent	Response Total
1	Yes		43.80%	251
2	No		15.01%	86
3	I don't know		41.19%	236

12. Which type of support would be the most useful?

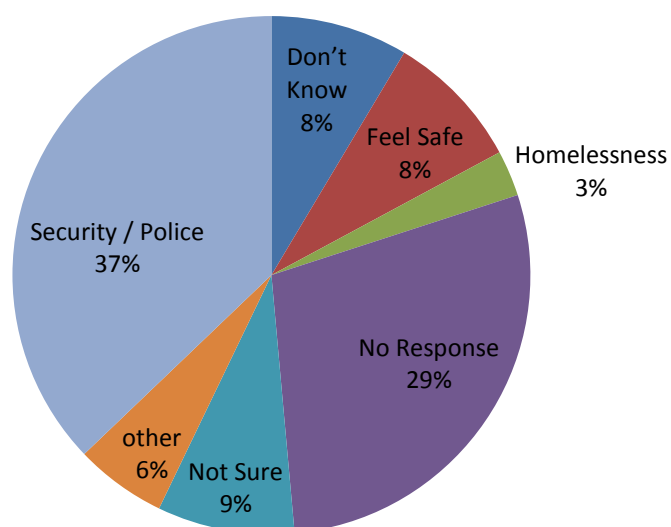


Safety and Security

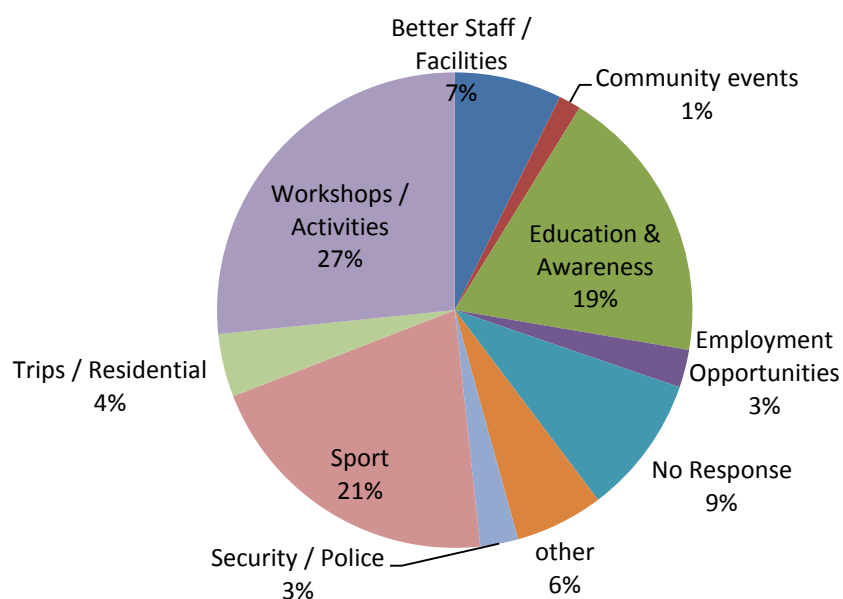
13. How safe or unsafe do you feel in your area you live in?

			Response Percent	Response Total
1	I feel very safe		24.05%	140
2	I feel safe		36.60%	213
3	Neutral		29.55%	172
4	I feel unsafe		5.50%	32
5	I feel very unsafe		4.30%	25

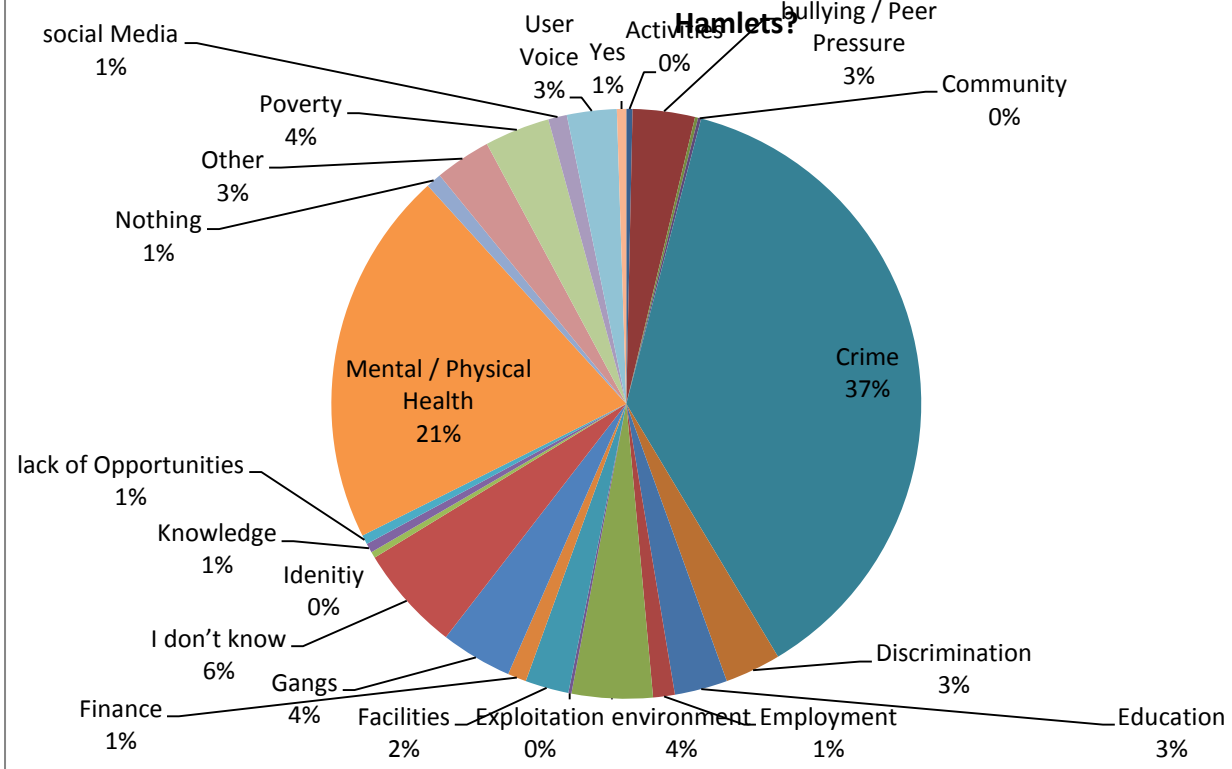
14. What could we do to help you feel more feel safe and secure?



15. What activities or services do you think the Youth Service should be offering young people, to reduce youth crime and violence?




16. What do you think are the challenges facing young people in Tower Hamlets?



Completed by

Magdalene Bannis-Royer
January 2020

Cabinet 29 July 2020	 TOWER HAMLETS
Report of: Will Tuckley, Chief Executive	Classification: Unrestricted
Contingency Fund – additional Covid-19 support element	

Lead Member	Councillor Ronald, Cabinet Member for Resources and the VCS
Originating Officer(s)	Emily Fieran-Reed, Senior Strategy & Policy Manager Awo Ahmed, Programme Assessment & Monitoring Officer Robert Mee, Programme Analysis & Review Officer
Wards affected	All wards
Key Decision?	No
Forward Plan Notice Published	1 July 2020
Reason for Key Decision	n/a
Strategic Plan Priority / Outcome	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

The VCS response to the covid 19 pandemic in Tower Hamlets has seen the rapid mobilisation and deployment of resources to meet the increase in demand as well as services adapting to meet new needs and service new service users. This report details a proposal to create a new covid community fund, funded by repurposing existing contingency fund budgets and a draw down on remaining reserves of £50,000 originally held for the purposes of the contingency fund. The fund will help organisations to meet the increased demand, need and inequalities that have arisen from covid.

It will be necessary to reduce the maximum award of the existing elements of the contingency fund from £20,000 to £10,000 in order for the covid element of the fund to have sufficient opportunity to make an impact across a number of organisations. The fund also has a support package attached which works in parallel to the award of funding and helps the organisations to develop, including with a view to

organisations diversifying their funding base and being more independent of the council in future. It is important to note the criteria in the appendix which, for example, set out the need to undertake stringent due diligence and financial checks. Applicants would have to satisfy the council that they are financially stable and viable in the medium to longer term.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Agree recommendations to replace the existing transitional element of the Contingency Fund with the Covid Community Fund.
2. Reduce the maximum award of the emergency element of the contingency fund from £20,000 to £10,000.

1. REASONS FOR THE DECISIONS

- 1.1 Replacing the existing Transitional element of the contingency fund to create a Covid Community Fund is necessary to help use our resources in the best way to enable the VCS to continue to support our residents around covid and the recovery from it.

2. ALTERNATIVE OPTIONS

- 1.1 Keep the current funding as it is and to not provide additional VCS support in response to Covid. This would see us providing a fund which was no longer relevant to the new environment that we are now in due to the pandemic.

3. DETAILS OF THE REPORT

- 3.1 The Covid-19 pandemic is an unprecedented and fast-moving situation. Tower Hamlet's Council continues to focus on the health & wellbeing of residents and on making sure that we continue to service the needs of the community. The current covid pandemic has left many VCS organisations in TH unable to provide services, close their doors, scale down or re-purpose their funding to deliver direct covid support and services to resident.
- 3.2 The current health pandemic will require many changes to be implemented in our everyday life, this will affect the VCS and their ability to deliver services to LBTH residents. The Current Lockdown is having a monumental effect on VCS organisations by balancing a reduction of income and/staff and increased demand for services. The Social distancing measures currently in place will be the 'new normal' and is having a direct impact on the delivery of services by the VCS sector in Tower Hamlets. Planned charitable events have been cancelled, income from charitable donations reduced as a result of a

reduction of household incomes, in addition to organisations suffering from loss of staff directly or indirectly as a result of Covid.

- 3.3 As residents and the local community adjust to the new way of life greater flexibility is required in relation to service delivery, funding and the general re-configuration of services to meet the needs of residents and beneficiaries and ensuring strategic priorities and outcomes are met.

3.4 Existing Contingency Fund

- 3.5 It was agreed at the GDSC on 6th November 2019 that the Emergency Fund (EF) could be looked at as a potential source of transition funding, key changes implemented to the Emergency Funding Scheme are proposed for the revised scheme: Rename the fund to the VCS Contingency Fund to reflect the change from being purely a fund to support organisations facing 'life and limb' emergencies to a fund that may also support organisations facing significant loss of council funding;

- 3.6 The contingency fund covers two elements. The maximum award available is £20,000 for both elements:

- Transitional Funding (since 6th Nov 2019) – to allow organisations funded through MSG up to 30 September 2019 and facing significant loss of council funding to be considered for transition support funding.
- Awards – To date, 8 previously funded MSG organisations have been awarded Transitional funding totalling - £64,0888.45 from Feb 2020 to May 2020.
- Emergency Funding (since 2014) - to enable voluntary and community organisations to apply for “life-and-limb support”.

3.7 Proposal for new Covid Community Fund

VCS organisations in Tower Hamlets would be able to access funding and organisational support as detailed below. The fund would have two different areas to cover different needs, i.e. the following:

- **Covid Organisational Support Fund** – Up to £5,000 Available for VCS organisations that need to restructure their organisation to incorporate the current Social Distancing and other restrictions or to respond to covid 19 more generally. This includes organisations currently funded to deliver frontline/direct contact services to residents who will need to restructure their organisation to reflect the current climate.
- **Covid Re-Purposing Fund** – Up to £5,000 VCS organisations could apply for this fund, either i. to deliver services differently to residents and beneficiaries – adapting services to remote delivery or ii. where covid has meant that there is good reason for the organisation to deliver different kinds of services. Funding could be applied to cover the up-front costs of changing the way services are delivered (e.g. any new equipment, or training), and then enabling to continue to deliver in these new ways (including staffing and ongoing service costs) to increase the reach and capacity of services.

3.8 Budget

The Transition element of the fund would close, since there should be no further demand for organisations transitioning from MSG. The new Covid Community Fund would be incorporated within the existing Contingency Fund as another element along the existing 'Emergency' element. It would be funded from existing budgets held for this purpose within the service.

3.9 The contingency fund was originally established with a one-off budget allocation of £250,000 that was held in reserves and drawn down at the end of each financial year. To date, 25 awards have been made. From the remaining reserves, confirmed with finance, it is proposed to draw down a further £50,000 to support the Covid Community Fund. This means we could fund an additional 10 organisations at the maximum level of award from the covid fund.

3.10 For 2020/21 there is additional budget identified for the Contingency Fund of £100,000 pa – the “new budget”. There are already 2 awards made against this budget in this financial year totalling £25,795.50 and a further application pending approval of £5,000. There is therefore £69,204.50 remaining.

3.11 The total budget remaining for 20/21 from reserves and “new budget is therefore £119,204.50.

3.12 The existing emergency element of the fund has a maximum award value of £20,000. This means that if the new budget were to be used solely for these elements, it could fund only 6 organisations. It is therefore proposed to reduce the maximum award for the emergency and transition elements of the contingency fund from £20,000 to £10,000 in order to bring about a better balance between the different elements of the fund. This would also bring us into line with other funds for contingency and emergency in other areas.

3.13 Even with the amendments detailed above, this fund could potentially be used up very quickly. Given the reserves money has not been spent in full in previous years, however, and the covid 19 situation is unprecedented, there is no basis on which to predict what the spend would be. It is therefore proposed to continue with the existing budgets (the main new budget and the remaining reserves), with this able to be reviewed if there are surges in demand, in order to consider whether there is any opportunity to identify other budgets or resources to support the fund further.

3.14 How the fund would work

The criteria attached reflect good practice in grant giving as well as the following principles:

- The fund is a temporary fund to support the initial needs arising from the covid 19 response and recovery. Funding will therefore be offered on a first come,

first served basis. Demand for the fund and available budgets to service it will be reviewed as the fund progresses.

- Organisations will not receive funding against more than one of the categories of the contingency fund, including the original and covid elements
- We will seek to fund organisations that are viable and sustainable in the medium to longer term
- We will seek to fund organisations that are meeting a need not otherwise provided for through existing services
- Unlike the existing contingency fund, we will consider awarding funding to organisations who have not previously received Council funding. We will encourage bids from organisations that are not already major recipients of funding from the Council or other external funders.
- Where there is an alternative fund that we think a bid would be better suited to, we will instead signpost the organisation to that fund instead
- We will not fund organisations who have already received funding for a similar purpose from the London Community Response Fund, East End Community Foundation's Emergency Response fund
- We will consider the contribution that organisations have already made to the community in responding to covid
- Due to the health inequalities associated with this pandemic and the disproportionate effect on particular parts of the community such as BAME people, projects that are delivering services targeted at these groups will be encouraged to apply.
- There will be different levels of funding that could be applied for, for different circumstances/criteria - Up to £1,000; Up to £2,500 and up to £5,000.
- We will seek to fund organisations that deliver against strategic plan priorities

3.15 Wider Support

Alongside the award of funding, officers from Corporate SPP, working with Tower Hamlets CVS, will engage with organisations on the issues they face arising from covid and work with them to develop a detailed organisational transition plan and agree support measures. This could include a range of elements, touching areas such as:

- Delivery models including social distancing and working differently
- Finances and funding including bid writing support
- Business planning and business continuity
- Governance, strategy and policy
- Training and skills
- Staff, volunteers
- Communications and engagement including social media
- Digital

4. **EQUALITIES IMPLICATIONS**

- 4.1 An equality impact assessment screening tool has been carried out and based on the outcome there is not a requirement to complete a full Equalities

Impact Assessment. The take up of the scheme will be monitored and work done to encourage organisations that serve a range of protected characteristics are accessing the fund.

5. OTHER STATUTORY IMPLICATIONS

5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:

- Best Value Implications,
- Consultations,
- Environmental (including air quality),
- Risk Management,
- Crime Reduction,
- Safeguarding.
- Data Protection / Privacy Impact Assessment.

6. COMMENTS OF THE CHIEF FINANCE OFFICER

6.1 This reports recommends the replacement of the existing transitional element of the Contingency Fund with the Covid Community Fund.

6.2 The Covid Community fund of £119,205 will be available for distribution, funded by the existing Contingency Fund of £50,000 held in Reserves, plus the balance of the 2020/21 allocation of £69,205.

6.3 The proposal to reduce the maximum award of the emergency element of the contingency fund from £20,000 to £10,000 will allow more organisations to access the funds and bring into line with other funds for contingency and emergency in other areas.

7. COMMENTS OF LEGAL SERVICES

7.1 The Council has the legal power to undertake thye activities highlighted in this report.

7.2 Each grant will be supported by an agreement allowing the Council to monitor the use of the funds and ensure that the funds are used for the purposes for which the grant is intended. This will support the Council's Best Value Duty.

7.3 Similarly, funds will be made available following an evaluated application process which helps the Council achieve value for money and ensures that the funds are maximised in terms of economy efficiency and effectiveness. This also assists the Council to meet its Best Value legal duty.

- 7.4 funds are local authority has a general power of competence under the Localism Act 2011. The proposals set out in this report fall within this legislation.
-

Linked Reports, Appendices and Background Documents

Linked Report

- None

Appendices

- Appendix 1 – Contingency Fund Priorities and Criteria

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

- None

Officer contact details for documents:

N/A

Tower Hamlets VCS Contingency Fund (Emergency Fund)

Priorities and Criteria

In order to be considered for funding, organisations must:

Governance

1. Be a voluntary/community sector/ not-for-profit organisation
2. Have a formal legal structure together with an appropriate governing document

Finance

1. Have been in receipt of Council funding in the past year (including match funded projects but excluding in-kind support).
2. Have a bank or building society account in the organisation's name
3. Be able to demonstrate financial viability
4. Be in danger of closing down or unable to continue to provide core funded services at a reasonable level or standard"
5. Have already taken/or be in the process of implementing reasonable measures to address the emergency
6. Have a formal reserves policy
7. Not be a debtor to the London Borough of Tower Hamlets

Premises

1. If based in or using Tower Hamlets Council buildings have an appropriate property arrangement in place.

Activities

1. Have a base within Tower Hamlets or a demonstrable track record of successful service delivery within the borough
2. Provide project activities that mainly benefit Tower Hamlets residents
3. Provide evidence that their project / organisation is consistent with Council priorities as detailed in the Strategic / Community Plan

LBTH Strategic Plan

[Strategic Plan](#)

Tower Hamlets Plan

[Tower Hamlets Plan](#)

Applicants must clearly demonstrate the need for the funding and the fact that they are facing an unforeseen emergency. As a guide, the following information gives an indication of circumstances the council considers to be an emergency and what may be supported through this funding scheme together with examples of things that are unlikely to be supported. For clarification, this does not mean that applications will automatically be supported or rejected based purely on the purpose for which the funding will be used.

The following are **likely** to be considered favourably for funding:

1. Building repairs (for essential emergency work)
2. Health and safety equipment / improvement (which directly affects service delivery)

3. DDA Improvements
4. Redundancy costs arising as a consequence of council action or inaction
5. Staff salaries / wages (to cover unforeseen medium/long term absences)
6. Winding-up costs

If the purpose for which you would like funding isn't in the above list but you still feel your organisation is facing an emergency situation, you are still able to apply to the Fund. However, the following are **unlikely** to be supported for funding if the application is for normal running costs such as

1. Accreditation fees
2. Computers / tablets / smartphones
3. Fundraising strategies
4. Business plans
5. Consultancy fees
6. Insurance
7. Delivering new project
8. Enhancing existing project
9. Staff training Furniture
10. Photocopying
11. Team building away-days
12. Volunteer training
13. Debt repayment
14. Project match-funding
15. Volunteer expenses
16. Utilities (*gas, electricity etc.*)
17. Rent increases (*where due notice of increase has been provided*)

Tower Hamlets VCS Contingency Fund (Covid-19 Support)

To help organisations during this pandemic, applications to the Contingency Fund can specify that they need help due to the impact of Covid-19 on their organisation or activity. This fund is a temporary fund to support the initial needs arising from the Covid-19 response and recovery. It will be offered on a first come, first served basis.

Priorities and Criteria

In order to be considered for funding, organisations must:

Governance

1. Be a voluntary/community sector/ not-for-profit organisation
2. Have a formal legal structure together with an appropriate governing document

Finance

1. Have a bank or building society account in the organisation's name
2. Be able to demonstrate financial viability
3. Have already taken/or be in the process of implementing reasonable measures to address the impact of Covid-19
4. Have a formal reserves policy
5. Not be a debtor to the London Borough of Tower Hamlets

Premises

1. If based in or using Tower Hamlets Council buildings have an appropriate property arrangement in place.

Activities

1. Have a base within Tower Hamlets or a demonstrable track record of successful service delivery within the borough
2. Provide project activities that mainly benefit Tower Hamlets residents
3. Provide evidence that their project / organisation is consistent with Council priorities as detailed in the Strategic / Community Plan

LBTH Strategic Plan

[Strategic Plan](#)

Tower Hamlets Plan

[Tower Hamlets Plan](#)

Other

- Will seek to fund organisations that are meeting a need not otherwise provided for through existing services
- Will encourage bids from organisations that are not already major recipients of funding from the Council or other external funders

- Where there is an alternative fund that we think a bid would be better suited to, we will instead signpost the organisation to that fund instead
- We will not fund organisations who have already received funding for a similar purpose from the London Community Response Fund, East End Community Foundation's Emergency Response fund
- We will consider the contribution that organisations have already made to the community in responding to covid

Covid-19 Community Fund

Applicants can apply under the following headings (Organisations will not receive funding against more than one of the categories of the Contingency Fund, including the original and Covid 19 elements):

- A. **Covid Organisational Support Fund – Up to £5,000** Available for VCS organisations that need to restructure their organisation to incorporate the current Social Distancing and other restrictions or to respond to covid 19 more generally. This includes organisations currently funded to deliver frontline/direct contact services to residents who will need to restructure their organisation to reflect the current climate.
- B. **Covid Re-Purposing Fund – Up to £5,000** VCS organisations could apply for this fund, either i. to deliver services differently to residents and beneficiaries – adapting services to remote delivery or ii. where covid has meant that there is good reason for the organisation to deliver different kinds of services. Funding could be applied to cover the up-front costs of changing the way services are delivered (e.g. any new equipment, or training), and then enabling to continue to deliver in these new ways (including staffing and ongoing service costs) to increase the reach and capacity of services.


Please use the following funding guidance for the level of organisational changes or adapted services when applying for the Support or Re-Purposing Fund

£1,000 – minor

£2,500 – medium

£5,000 - major

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<p style="text-align: center;">Cabinet</p> <p style="text-align: center;">29 July 2020</p>	 <p style="text-align: center;">TOWER HAMLETS</p>
<p>Report of: Denise Radley, Corporate Director, Health, Adults & Community</p>	<p>Classification: Unrestricted</p>
<p style="text-align: center;">Metropolitan Police Safer Neighbourhood Ward Panels Scrutiny Action Plan</p>	

Lead Member	Councillor Asma Begum, Deputy Mayor for Community Safety, Youth and Equalities
Originating Officer(s)	Filuck Miah Corporate Strategy and Policy Officer, Ann Corbett Divisional Director for Community Safety, (Community Safety and Substance Misuse)
Wards affected	All wards
Key Decision?	Yes
Forward Plan Notice Published	4 June 2020
Reason for Key Decision	Impact on Wards
Strategic Plan Priority / Outcome	Priority 2 – A borough that our residents are proud of and love to live in; outcome 7 – People feel safer in their neighbourhoods and anti-social behaviour is tackled.

Executive Summary

This report submits the report and recommendations of the scrutiny challenge session on Metropolitan Police Safer Neighbourhood Ward Panels in Tower Hamlets and focusses on how resident engagement (seldom heard) can be improved and provides an action plan for implementation.

The Mayor's Office for Police and Crime (MOPAC) has a statutory responsibility for making arrangements for obtaining the views of the community and victims of crime on matters concerning policing in London.¹

It's important to note that Neighbourhood Ward Panels are not Council, but Police led and that they are independently run by residents with the Safer Neighbourhood Teams (SNTs). The Safer Neighbourhood Board (SNB) is funded by MOPAC and plays a key part in the Police and Crime Plan (PCP) 2017-2021 agenda. This commits MOPAC to support the work of SNBs and provides funding for those (Community led and decision making) structures that hold local policing to account.

¹ <https://www.london.gov.uk/what-we-do/mayors-office-policing-and-crime-mopac/governance-and-decision-making/mopac-decisions-0/public-engagement-funding-201920>

Recommendations:

The Mayor in Cabinet is recommended to:

1. Consider the report of the scrutiny challenge session on Metropolitan Police Safer Neighbourhood Ward Panel and agree the action plan in response to the report recommendations.

1 REASONS FOR THE DECISIONS

- 1.1 During the 2019/20 Municipal Year the Overview and Scrutiny Committee's annual work programme had identified the need to examine reasons for low participation and engagement from seldom-heard residents with Met Police safer neighbourhood ward panels and how this can be improved.
- 1.2 The Council's annual resident survey (ARS)² (surveyed 1,104 residents). Findings suggest that crime and anti-social behaviour (ASB) has remained for 2018 – 2019³ the top personal concern for the borough's residents.
- 1.3 The enquiry remains consistent with the Mayoral priority and Council's strategic plan⁴ e.g. priority 2 – A borough that our residents are proud of and love to live in; outcome 7 – People feel safer in their neighbourhoods and anti-social behaviour is tackled.
- 1.4 Implications of low engagement suggest that it can lead to a loss of public confidence in the police. The challenge it leaves for the police is that it will be difficult to predict changes to the community profile, needs and priorities. Additionally, there will be increased vulnerabilities around threat, risk and harm, services becoming less responsive and unrealistic public expectations.
- 1.5 Ward panel engagement influences the design and delivery of services from the outset. This supports the police to deliver and meet the priorities set by the ward panel. Ward panel engagement should be considered as a core element of local community policing activity. Effective engagement can also operate as an enabler for fostering social responsibility.
- 1.6 This report seeks the endorsement of the Mayor in Cabinet for the Metropolitan Police safer neighbourhood ward panels challenge session recommendations and its related action plan. Through the implementation of the action plan many of the issues identified in the challenge session will be targeted and improved.

² https://www.towerhamlets.gov.uk/Documents/Borough_statistics/Annual_Residents_Survey_results_2018.pdf

³ https://www.towerhamlets.gov.uk/Documents/Borough_statistics/2019_ARS_Briefing_Paper.pdf

⁴ https://www.towerhamlets.gov.uk/Documents/Strategy-and-performance/TH_Strategic_Plan.pdf

2 ALTERNATIVE OPTIONS

- 2.1 To take no action. This is not recommended as the scrutiny challenge session provides an evidence base for improving seldom-heard resident engagement with Met Police safer neighbourhood ward panels.
- 2.2 To agree to recommendations highlighted. All recommendations are achievable within existing resources as outlined in the action plan.

3 DETAILS OF THE REPORT

- 3.1 Community safety remains a key Mayoral priority e.g. Priority 2: *A borough that our residents are proud of and love to live in*. Our Council, along with local Police and the borough's Safer Neighbourhood Board (SNB) remain of the view that ward panels are an essential piece of the puzzle in delivering community policing.
- 3.2 The scrutiny challenge session was commissioned (as part of OSC's work programme) to investigate the reasons why seldom-heard residents faced difficulty in engaging with the Metropolitan Police safer neighbourhood ward panels.
- 3.3 The scope had also identified several key reasons for justifying the investigation of this topic. These have been identified as the following: low resident engagement with ward panels; low awareness of the Online Watch Link⁵ (OWL) system; low awareness of enforcement activities and community improvements and resident's perception of feeling unsafe. The challenge session's focus was to review and understand the seldom-heard residents experience of engagement with community safety. The challenge session is underpinned by two key questions:
 - How can participation of seldom-heard groups be enhanced?
 - How can residents be empowered to improve safety in their own neighbourhood?
- 3.4 Listening to local seldom-heard residents' views suggested that the safer neighbourhood ward panels did not have reflective representation of the ward; that there was low engagement from young people and therefore the function of the ward panels failed to address a key stakeholders' views on community safety given the level and significance of youth violence, crime and ASB in Tower Hamlets. The challenge session findings further ascribed the challenges around inequalities for seldom-heard groups on barriers e.g. English as a second language; level of general education; local involvement with ethnic minority women, social class division between wealth and those living in poverty, levels of employment.

⁵ <https://www.owl.co.uk/met/>

3.1 The challenge session suggests eleven practical recommendations for the council and its partners for improving local safer neighbourhood ward panels. The recommendations focus on improving better engagement and reflective representation on ward panels i.e. young people involvement, training, improving trust between the Police and ward residents, developing a comms approach for publicity of ward panels, lobbying for additional resources. The report with recommendations is attached at Appendix 1.

3.2 **Recommendation 1:** Tower Hamlets ward panels to develop and recruit to vice chair roles, focussed on building representative participation.

Recommendation 2: MOPAC (Mayor's Office for Police and Crime) to incentivise learning and development opportunities for ward panel vice chairs e.g. how to promote inclusion and engagement with seldom-heard community

Recommendation 3: Changing the location, time and venues so that those panels that are already well attended add two additional daytime meetings per year, and those with low attendance from residents switch to 2 daytime and 2 evening meetings

Recommendation 4: Public Realm representation and attendance at ward panel meetings

Recommendation 5: Establishment of a Youth Council representative on the Safer Neighbourhood Board as part of inclusive and diversity agenda

Recommendation 6: Local authority to lead on a borough wide marketing campaign to publicise ward panels

Recommendation 7: A collaborative approach by Safer Neighbourhood Board (SNB), ward panels and the Police to publicise ward panels.

Recommendation 8: Strengthening trust between the police and the ward's residents e.g. SNTs to lead and implement action-focussed minutes and jointly developing (at ward panels) a cultural framework of co-produced solutions.

Recommendation 9: Police prioritise attendance at ward panel meetings, as the fundamental purpose is to hold the police to account.

Recommendation 10: Local authority to develop a meaningful breakdown of community safety acronyms list to facilitate better resident understanding of key terminology

Recommendation 11: Mayor to lobby Home Office for more resources for 101 service

4 EQUALITIES IMPLICATIONS

- 4.1 The Challenge session had considered and factored in PSED (2011) when developing engagement with the seldom-heard residents. The recommendations are drawn from the views captured from those residents (representing the seldom heard groups) which include improving the participation of seldom heard residents with the Metropolitan Police safer neighbourhood ward panels.

5 OTHER STATUTORY IMPLICATIONS

- 5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:
- Best Value Implications,
 - Consultations,
 - Environmental (including air quality),
 - Risk Management,
 - Crime Reduction,
 - Safeguarding.
 - Data Protection / Privacy Impact Assessment.
- 5.2 The recommendations and service action plans are made as part of the OSC's role in helping to secure continuous improvement for the Council as part of the best value implications
- 5.3 Many of the recommendations in this report relate to wider benefits of having good public engagement in terms of avoiding financial costs associated with enforcing the law, detecting crime and processing offenders. Ward panel engagement influences the design and delivery of services from the outset with aim of delivering crime reduction.
- 5.4 The report highlights the proactive approach to engaging with seldom heard residents with the challenge session as part of its compliance with the PSED 2011 as well as the legal requirements (in the context of engagement and views of local people) from the Police Reform and Social Responsibility Act 2011⁶
- 5.5 The report recommends public realm to have a presence with the safer neighbourhood ward panels and considering the environmental factors which can exacerbate community safety concerns though there
- 5.6 The Metropolitan Police safer neighbourhood ward panels are independent of the Council and is resident led with a focus on holding to local police to

⁶ <http://www.legislation.gov.uk/ukpga/2011/13/contents/enacted>

account. There are no direct risk implications arising from the report or recommendations.

- 5.7 The report relates to police services that have frequent contact with potential vulnerable adults. Although there are no direct safeguarding implications from this report or 'action plan', all stakeholders must remain mindful of potential safeguarding issues during the implementation of the recommendations

6 COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 There are no specific financial implications emanating from the Metropolitan Police Safer Neighbourhood Ward Panel Scrutiny Action Plan.
- 6.2 Costs associated with the implementation of the recommendations will need to be managed within the existing budget resource.

7 COMMENTS OF LEGAL SERVICES

- 7.1 The Council is required by Section 9F of the Local Government Act 2000 to have an Overview and Scrutiny Committee and to have executive arrangements which ensure the committee has specified powers. Consistent with that obligation Article 6 of the Council's Constitution provides that the Overview and Scrutiny Committee may consider any matter affecting the area or its inhabitants and may make reports and recommendations to the Full Council or the Executive, as appropriate, in connection with the discharge of any functions.
- 7.2 The report seeks the approval of the action plan which sets out the Council's response to the recommendations of the Scrutiny Review into improving resident engagement with the Metropolitan Police safer neighbourhood ward panels.
- 7.3 The recommendations in the plan can be carried out within the Council's powers. The Council is able to exercise its general power of competence under section 1 of the Localism Act 2011 to implement the action plan for the benefit of the authority, its area and persons resident or present in its area.
- 7.4 The Council is required when exercising its functions to comply with the duty set out in section 149 of the Equality Act 2010, namely to have due regard to the need to eliminate unlawful discrimination, advance equality of opportunity between those who share a protected characteristic and those who do not, and foster good relations between those who share a protected characteristic and those who do not. The report refers to various actions in the review that address equality considerations.
-

Linked Reports, Appendices and Background Documents

Linked Report

- NONE.

Appendices

- Appendix 1: Metropolitan Police Safer Neighbourhood Ward Panel Action Plan
- Appendix 2: Scrutiny Challenge Session Report: Working in genuine partnership with seldom-heard residents to make our communities safer

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

- None.

Officer contact details for documents:

Filuck Miah

Ext 1152

Filuck.miah@towerhamlets.gov.uk

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SCRUTINY CHALLENGE SESSION REPORT

**Working in genuine partnership with seldom-heard
residents to make our communities safer**



**London Borough of Tower Hamlets
October 2019**

Acknowledgements

Councillor Bex White (Scrutiny Lead for Environment and Community Safety), chair for this session, would firstly like to thank the local resident contributors for giving up their time to engage and participate in the challenge session. Much of what was discussed during the challenge session has informed the report and their contribution influenced many of the recommendations.

Residents:

Christina Ajagbe, David Burbidge, Sharon Currie, Lisa Folan, Mark Healey Bee Lim, Shiblu Miah, Phillip Mullen, Samia Shire, Syed Uddin and others for their participation and contribution.

Councillors involved with the Challenge Session:

Councillor James King	Overview and Scrutiny Committee Chair, and Limehouse Ward)
Councillor Gabriella Salva Macallan	St Peter's Ward
Councillor Eve McQuillan	Bethnal Green Ward

London Borough of Tower Hamlets Officers:

Ann Corbett	Divisional Director for Community Safety and Substance Misuse
Charles Griggs	Head of Community Safety
Keith Daley	Interim Head of Substance Misuse
Calvin Mclean	Head of Neighbourhood Operations

External Members:

Jon Shapiro	Tower Hamlets Safer Neighbourhood Board Chair
Christopher Scammell	Tower Hamlets Safer Neighbourhoods Inspector (Metropolitan Police Service)

Strategy and Policy (scrutiny support):

Filuck Miah	Strategy and Policy Officer
Daniel Kerr	Strategy and Policy Manager
Genevieve Duval	Strategy and Policy Officer
Janette John	Strategy and Policy Officer

Chair's Foreword

Community safety is about feeling safe, whether you're at home, in the streets of Tower Hamlets or working in the borough. It connects you to quality of life and being able to pursue and achieve the benefits from your domestic, social and economic lives without fearing obstacles from crime and disorder.

Community safety remains a key Mayoral priority e.g. Priority 2: *A borough that our residents are proud of and love to live in*. Our Council, along with local Police and the borough's Safer Neighbourhood Board (SNB) remain of the view that ward panels are an essential piece of the puzzle in delivering community policing. Devolving some of the community policing priorities at a local ward level provides an opportunity for local residents to become active and empowered members who go on to provide an asset based approach¹ for delivering on local community safety concerns.

As the scrutiny lead for the Environment and Community Safety portfolio, I commissioned this scrutiny challenge session to ensure that we learn from seldom-heard residents, we identify and remove barriers to their engagement and as a result we ensure their participation in safer neighbourhood ward panels. This will empower them to become more informed and better engaged on community safety issues. This in turn should enable the council and its partners to benefit from their contribution to community safety.

The challenge session was well attended by residents, council officers and our partners, and a number of new insights were shared into how we can work better together to strengthen ward panels and to make them representative of the community.

The report makes a number of practical recommendations for key stakeholder partners to take on board and put into action for improving engagement and participation of seldom-heard residents on community safety concerns.

I'd like to thank the residents who gave their time and thoughtful contributions to this report – I hope that what you read here reflects what you said to us, and that we can continue to work together moving forward.

Councillor Bex White

Scrutiny Lead for Environment and Community Safety

¹ <https://www.nurtureddevelopment.org/asset-based-community-development/>

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1. Recommendations

Recruitment and training	
R1	Tower Hamlets ward panels to develop and recruit to vice chair roles
R2	Mayor's Office for Police and Crime (MOPAC) to incentivise learning and development opportunities for ward panels vice chairs e.g. how to promote inclusion and engagement with seldom-heard community
Fostering and encouraging participation	
R3	Changing the location, time and venues so that those panels that are already well attended add two additional daytime meetings per year, and those with low attendance from residents switch to 2 daytime and 2 evening meetings.
R4	LBTH Public Realm representation and attendance to ward panel meetings
R5	Establishment of a Youth Council representative on the Safer Neighbourhood Board to enhance inclusion and better understanding of diversity
Advancing the publicity of ward panels	
R6	Local authority to lead on a borough-wide marketing campaign to publicise ward panels
R7	A collaborative approach by Safer Neighbourhood Board, ward panels and the Police to publicise the visibility of ward panels.
Strengthening trust	
R8	Strengthening the trust between the Police and the ward's residents e.g. lead and implement action-focussed minutes and jointly developing (via ward panels) a cultural framework of co-produced solutions.
R9	Police prioritisation of attendance of ward panel meetings, as the fundamental purpose is to hold the Police to account.
Developing tools for engagement and participation	
R10	Local authority to develop a meaningful breakdown of community safety acronyms list to facilitate better resident understanding of key terminology
Strengthening funding capacity	
R11	Mayor to lobby Home Office for more resources for 101 service

2. Introduction

Reason for Enquiry

- 2.1. The Overview and Scrutiny annual work programme 2019-20 identified the need to examine reasons for low participation and engagement from seldom-heard residents with the ward panels and how this can be improved.
- 2.2. The Council's annual resident survey (ARS)² (surveyed 1,104 residents). Findings suggest that crime and anti-social behaviour (ASB) has remained for 2018 – 2019³ the top personal concern for the borough's residents.
- 2.3. Furthermore, the justification for the enquiry remains consistent with the Mayoral priority and Council's strategic plan⁴ e.g. priority 2 – A borough that our residents are proud of and love to live in; outcome 7 – People feel safer in their neighbourhoods and anti-social behaviour is tackled.
- 2.4. For the purpose of this report, we shall refer to Safer Neighbourhood Board as SNB, Safer Neighbourhood Teams (consists of the Police Sergeants, Police Constables, Police Community Support Officers) as SNTs, anti-social behaviour as ASB and Overview and Scrutiny Committee as OSC
- 2.5. For this report, it is vital to understand the definition of the term 'seldom-heard groups' as they are the most important stakeholders for the challenge session. Some research suggests⁵ these are under-represented people with vulnerability factors⁶ e.g. health and disability, equalities / discrimination factors, economic, personal and family circumstances. Southwark Clinical Commissioning Group⁷ further suggests that 'seldom-heard' is a term for groups who may be experiencing barriers to accessing services. It is also worth noting that 'seldom-heard' groups have previously been termed 'hard to reach' groups, but the more recent terminology places the onus on authorities to listen better, rather than blaming those whose voices are not heard.
- 2.6. The Public Sector Equality Duty⁸ (PSED) plays a key role in terms factoring protected characteristics (S149 of the Equality Act 2010) that 'seldom-heard groups' fall into.
- 2.7. The challenge session scope had also identified a number of key reasons for justifying the investigation of this topic. These have been

² https://www.towerhamlets.gov.uk/Documents/Borough_statistics/Annual_Residents_Survey_results_2018.pdf

³ https://www.towerhamlets.gov.uk/Documents/Borough_statistics/2019_ARS_Briefing_Paper.pdf

⁴ https://www.towerhamlets.gov.uk/Documents/Strategy-and-performance/TH_Strategic_Plan.pdf

⁵ <https://www.iriss.org.uk/resources/insights/effectively-involving-seldom-heard-groups>

⁶ <https://www.app.college.police.uk/app-content/engagement-and-communication/engaging-with-communities>

⁷ <https://www.southwarkccg.nhs.uk/news-and-publications/publications/policies-strategies-registers/Documents/Engaging%20with%20Seldom%20Heard%20Voices%20and%20Outreach.pdf>

⁸ <https://researchbriefings.files.parliament.uk/documents/SN06591/SN06591.pdf>

identified as the following: low resident engagement with ward panels; low awareness of the Online Watch Link⁹ (OWL) system; low awareness of enforcement activities and community improvements and resident's perception of feeling unsafe.

Methodology

- 2.8. The objective for the challenge session was to identify the barriers to engagement and then focus on solutions that helped to bring about the desired outcome: seldom-heard group residents being more informed and better engaged on community safety.
- 2.9. To support this process, the challenge session embedded two core questions; acting as a reference point for framing the sessions activities and more importantly to enable seldom-heard residents who attended the challenge session to use their personal experiences and comment on ward panels and community safety. The questions focussed on the following:
- How can participation of seldom-heard groups be enhanced?
 - How can residents be empowered to improve safety in their own neighbourhood?
- 2.10. The approach also stipulated areas that it would not cover or were considered out of scope. This included the central ASB reporting system (as the ASB reporting system is a new product and requires operational time to be established) and actions covered from last year's OSC trilogy report¹⁰ 2018-19 to avoid repetition. The report will acknowledge and make references to some of the OSC's trilogy report recommendations for context only.
- 2.11. The challenge session was chaired by Councillor Bex White, Scrutiny Lead for Environment and Community Safety on the OSC and supported by Filuck Miah, Strategy and Policy Officer.

Members in attendance:

Councillor Bex White (chair)	OSC Member and scrutiny lead for Environment and Community Safety (Chair)
Councillor James King	Chair of OSC
Councillor Eve McQuillan	OSC Member
Councillor Gabriella Salva Macallan	Scrutiny Member

Officers:

Ann Corbett	Divisional director for Community Safety and Substance Misuse
Charles Griggs	Head of Community Safety
Keith Daley	Interim Head of Substance Misuse
Calvin Mclean	Head of Neighbourhood Operations

⁹ <https://www.owl.co.uk/met/>

¹⁰ <http://democracy.towerhamlets.gov.uk/documents/s157560/Enc.%203%20for%20Response%20to%20Overview%20and%20Scrutiny%20Committees%20recommendations%20on%20Safety%20Aspiration%20and%20l.pdf>

External Partners	
Jon Shapiro	SNB chair for Tower Hamlets
Christopher Scammell	Tower Hamlets Safer Neighbourhood Inspector (Metropolitan Police Service)

London Borough of Tower Hamlets

Daniel Kerr	Strategy and Policy Manager, Strategy Policy and Performance Division
Filuck Miah	Strategy and Policy Officer, Strategy Policy and Performance Division
Genevieve Duval	Strategy and Policy Officer, Strategy Policy and Performance Division
Janette John	Strategy and Policy Officer, Strategy Policy and Performance Division

2.12. The challenge session was structured in the following way to facilitate seldom-heard resident engagement:

1	Chair's welcome and introduction to the session
2	Icebreaker – encouraging dialogue
3	Exercise part 1 – Barriers to engagement with ward panels
4	Exercise part 2 – Developing solutions for engagement with ward panels
5	Feedback, response from panel members (learning from the session)
6	Chairs summary and closing remarks

2.13. An essential element to the session's approach was to ensure that there were 20-30 seldom-heard residents who could participate and meaningfully engage. The approach differed from the traditional scrutiny methodology and provided the following benefits:

- Opportunity for panel members, ward Councillors and seldom-heard residents to engage in meaningful dialogue on community safety issues.
- Capturing seldom-heard resident's views and opinions as part of local intelligence gathering to support the development of final report recommendations.
- Empowering seldom-heard residents to air their views on barriers to engagement and lead on developing solutions for improving engagement with ward panels.
- The challenge session approach mirrored what engagement could look like through a testing methodology, which could be implemented at ward panel levels.

2.14. Location, venue (environmental context), timing and accessibility were also considered as part of the methodology. The thinking behind this was to ensure that session adhered to the Public Sector Equality Duty,

which covered being inclusive e.g. seldom-heard residents who have mobility issues or even those on low income unable to afford the travel.

- 2.15. Using community settings to deliver the challenge session was explored and remained under strong consideration. However, limitations e.g. time pressures, unable to guarantee availability of community space and accessibility, logistics and technology challenges resulted in us using the town hall's Council chamber as the default venue. According to feedback from participants on the setting, for some the corporate environment can be intimidating and cause anxiety but for others being invited to speak in a 'prestigious institution' has kudos and can be empowering and liberating.
- 2.16. A range of techniques were used to promote the event. This included:
 - Councillor White created a short publicity video promoting the reasons for the challenge and inviting the borough's local seldom-heard residents to participate.
 - Council communication channels using the social media feed.
 - Using the Council's commissioned and third sector providers to access local residents.
 - Promoting via the internal newsletter and community and voluntary sector.
 - Promoting via the Overview and Scrutiny Committee and wider non-executive Councillors.
 - Promoting using the scrutiny network and 'Yammer'.
- 2.17. As part of the modernising approach to engagement with local residents Slido¹¹ was introduced to enable residents to anonymously ask questions via a portal on their smart phone. This enabled residents who were not comfortable with group discussions to participate and ask questions. Additionally, it helped to keep the session running on schedule and minimised disruption.
- 2.18. An icebreaker was implemented at the beginning of the session e.g. using borough maps to understand the participant's perception of feeling safe/unsafe and then comparing this with Police crime data intelligence maps (see appendices two and three 2017-2019). This enabled residents to engage in meaningful dialogue (personal experiences of community safety) and facilitate a robust discussion. This also contributed valuable insights into resident perception and the drivers of this.
- 2.19. A one-page community safety 'acronym buster' was also incorporated into the information pack as this helped participants to understand key terminologies as this could potentially pose a risk of miscommunication and disengagement.

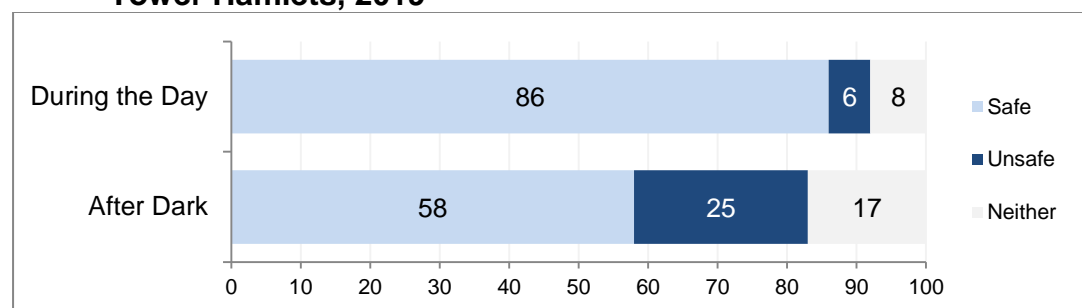
¹¹ <https://www.sli.do/>

3. Background

Local Context

- 3.1. Ward panels in Tower Hamlets should play an important role in community policing. There are currently 20 ward panels and one SNB in Tower Hamlets. The set-up of ward panels consists of an elected chairperson (elected by resident ward panel members), local residents, housing providers, community groups and Local (ASB) managers, as well as ward councillors.
- 3.2. Safer Neighbourhood Teams (SNTs) e.g. local community police provide support and remain accountable to ward panels. SNTs are expected to attend ward panel meetings and provide updates on policing issues in the ward; taking into account concerns raised by ward panel members and responding to their questions.
- 3.3. Ward panels influence and define local policing challenges and have scope to agree and set three key priorities (empowering them to identify and implement solutions to local problems) for the SNTs to address and communicate these priorities within the ward. The priorities should be reviewed at every ward panel meeting to assess the level of success or failure as well as updating the priorities.
- 3.4. Community safety remains a key Mayoral priority and one of the key outcomes for the Council's Strategic Plan¹². From intelligence gathered for 2018¹³ and 19¹⁴ ARS, the findings continue to support that crime and ASB remains the top personal concern for Tower Hamlets residents (1,104 surveyed). Furthermore, the ARS from 2019 suggests that residents feeling of safety drops by 28% from day to night. This does highlight the variance of day and nighttime economies; the implication of community safety and feeling safe.

Figure 6: Feelings of safety during the day and after dark (%) in Tower Hamlets, 2019



- 3.5. The borough's profile provides some context around the challenges of engagement. Tower Hamlets is the 16th most diverse borough in England¹⁵ and it has the largest Bangladeshi population in the country,

¹² https://www.towerhamlets.gov.uk/Documents/Strategy-and-performance/TH_Strategic_Plan.pdf

¹³ https://www.towerhamlets.gov.uk/Documents/Borough_statistics/Annual_Residents_Survey_results_2018.pdf

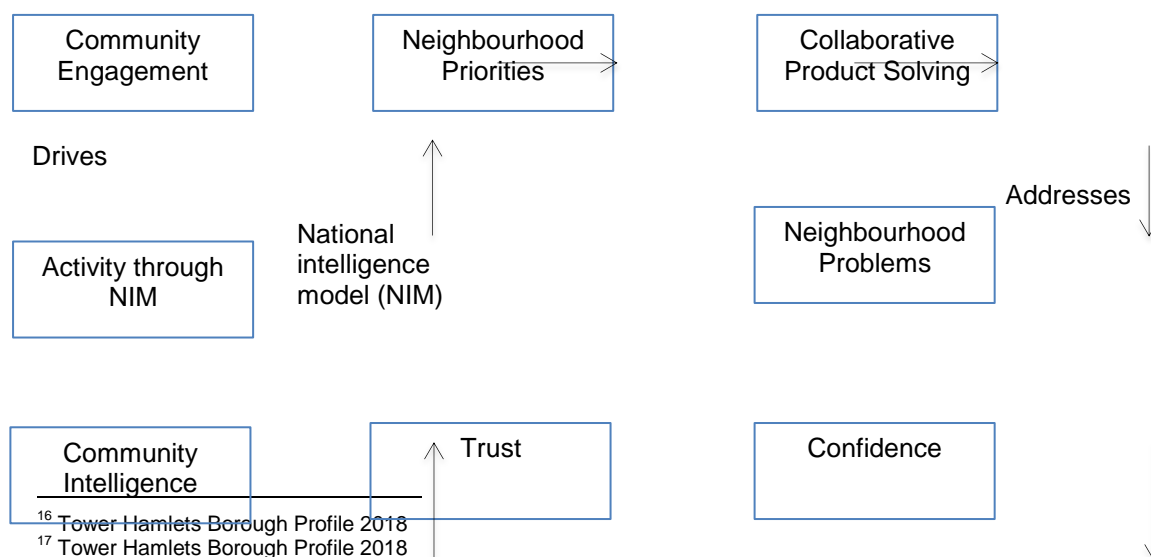
¹⁴ https://www.towerhamlets.gov.uk/Documents/Borough_statistics/2019_ARS_Briefing_Paper.pdf

¹⁵ Tower Hamlets Borough Profile 2018

making up almost a third of the borough's population¹⁶. More than 43% of the residents were born outside the UK¹⁷.

- 3.6. There are wider benefits of having good public engagement in terms of avoiding financial costs associated with enforcing the law, detecting crime and processing offenders. Ward panel engagement influences the design and delivery of services from the outset. This supports the police to deliver and meet the priorities set by the ward panel. Ward panel engagement should be considered as a core element of local community policing activity. Effective engagement can also operate as an enabler for fostering social responsibility.
- 3.7. The College of Policing accepts that leadership commitment plays a vital role in ensuring engagement is effective. Furthermore, effective engagement requires focussing on residents and results from engagement are integrated into service design and delivery and communities are involved in that delivery such as ward panels.
- 3.8. Implications of low engagement suggest that it can lead to a loss of public confidence in the police. The challenge it leaves to the police is that it will be difficult to predict changes to the community profile, needs and priorities. Additionally, there will be increased vulnerabilities around threat, risk and harm, services becoming less responsive and unrealistic public expectations.
- 3.9. The College of Policing use the Confidence Cycle to highlight the relationship between community engagement and increased public confidence in the police. It is their view that greater co-operation from the community can enrich its intelligence gathering

The Confidence Cycle



Directs

Increases



Source: College of Policing

- 3.10. The Confidence Cycle suggests that engagement with community groups, including those seldom heard, helps to piece together intelligence on issues that affect the neighbourhood and can be used to develop local priorities for policing local communities.
- 3.11. The College of Policing's model strengthens the need for seldom-heard resident's engagement with ward panels as it considers the importance of looking beyond representatives or community groups to ensure engagement reaches seldom-heard community members themselves, so they are involved in decision-making.
- 3.12. It is further suggested that safer neighbourhood ward level engagement remains a long-term process that is flexible for communities to access, influence, intervene and provide answers to local policing problems and solutions. Their engagement will not only draw out concerns of local people and gaps in crime and ASB reporting but also is a tool for meaningful participation. Iriss¹⁸ (2011) further suggests that an everyday approach to participation where there is no distinction between participation and service delivery is the most effective in supporting seldom-heard groups.
- 3.13. The challenge for engaging seldom-heard groups particularly from a vulnerable setting suggests they may be preoccupied with 'just about managing' to fulfil their basic needs thus limiting any focus on wider issues.
- 3.14. Social Care Institute for Excellence (SCIE) 2008a identified a variety of obstacles experienced by seldom-heard groups with engagement including attitudinal, organisational, cultural and practical barriers. The organisation context highlights issues of communication e.g. not enough thinking time for some people with impairments.

Legal

- 3.15. The Police Reform and Social Responsibility Act 2011¹⁹ imposes legal responsibilities on Police and Crime Commissioners (PCCs) which will be relevant to seldom-heard groups engaging with ward panels this includes:
- 3.16. **Section 1(8) e** - the chief constable is accountable for the effective and efficient engagement with local people.

¹⁸ <https://www.iriss.org.uk/.../insights/effectively-engaging-involving-seldom-heard-groups>

¹⁹ <http://www.legislation.gov.uk/ukpga/2011/13/contents/enacted>

Section 17 - duties when carrying out functions – an elected local policing body must have regard to the views of people in the body's area about policing in that area

Section 34 - engagement with local police – a chief officer must make arrangements for obtaining the views of people within each neighbourhood about crime and disorder and make arrangements for providing such people with information about policing in that neighbourhood.

- 3.17. The OSC's trilogy report builds on the above in that it recommends facilitation of effective information sharing at ward level to support effective local decision-making processes.

Public Sector Equality Duty (PSED)

- 3.18. The PSED²⁰ focuses on the S149 (protected characteristics) of Equality Act 2010 and it sets out key principles for public authorities that must in exercise of its function have due regard e.g. seldom-heard groups.
- 3.19. Advancing of equality of opportunity S149 (1)(B) relates to integrating equality considerations into all areas of a public authority's work and take measures to remove barriers and acknowledging that sometime full equality in practice means difference in treatment. The application of this in the context for ward panel's membership could suggest on being aware that evening meetings are particularly challenging for those groups who feel less safe after dark, including groups who feel at risk of hate-crime or who have caring responsibilities.
- 3.10. Fostering good relations in this context S149 (1)(c) suggests public authorities are to have due regard to the need to foster good relations between persons who share a relevant protected characteristic and those who do not. This remains significant in tackling prejudice and promotes understanding particularly when engaging with different seldom-heard group residents.
- 3.11. Application of the duty applies in three ways but the significance for ward panels should consider "where persons are not public authorities but exercise public functions, the duty applies in respect of the exercise of those functions setting priorities and holding the police to account would qualify as application of the PSED".
- 3.12. Lent and Studdert²¹ (2019), suggest that the police (SNT) and seldom-heard residents will need to hold greater collaboration, using a partnership arrangement but maintaining the principles of trust and

²⁰ <https://researchbriefings.files.parliament.uk/documents/SN06591/SN06591.pdf>

²¹ <http://www.nlgn.org.uk/public/2019/the-community-paradigm-why-public-services-need-radical-change-and-how-it-can-be-achieved/>

respect when engaging in ward panel activity. It suggests that seldom-heard residents must be trusted and respected by the police to have insight into their own needs and freedom to develop solutions for themselves – less of a beneficiary, now an active partner.

4. Findings

- 4.1. The challenge session created participation activities, which facilitated seldom-heard residents to engage and capture their views and opinions around engagement with ward panels and community safety.
- 4.2. One of the key barriers to engagement for seldom-heard residents focussed on having reflective representation on ward panels. The seldom-heard residents commented that there was low engagement from young people and therefore failed to capture a key player's perspective on community safety. The residents felt that this was

important as youth violence, crime and ASB were considered significant not only in Tower Hamlets but London wide.

- 4.3. The challenge session further highlighted that residents consider barriers such as: spoken English language; level of general education; diversity and cultural sensitivity in the borough; lack of involvement of ethnic minority women; social class division between those with wealth and those living with poverty; levels of employment against high unemployment in specific wards to have significant implications for recruitment and retention of active ward panel members. Tower Hamlets SNB chair acknowledged there was low participation from young people on ward panels. Furthermore, OSC's trilogy report²² 2018-19 recommendation four highlights the need to increase participation and engagement with young people. In addressing the above, the chair made the following recommendation:

R1	Tower Hamlets ward panels to develop and recruit to vice chair roles, focussed on building representative participation.
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- 4.4. The recommendation implies that each of the borough's 20 ward panels recruit a vice chair. Vice chairs can deputise (in absence of main chair) the ward panel meeting thus minimising cancellation of ward panel meetings. The recommendation advises recruitment focus on the under 25 age group representation to address the above and more widely a gender-balanced approach to diversity (embedding S149 protected characteristics of Equality Act 2010) to the membership of ward panels. Furthermore, the recommendation implies that the vice chair should (as part their role) focus on promoting as well as recruiting seldom-heard residents for ward panels. The Safer Neighbourhood Chair commented that he "wholly agree that this is an excellent suggestion, although in practice it is often very hard to persuade residents to fill such posts".

- 4.5. The session's seldom-heard residents commented that there was a lack of incentive for participating in ward panels. It further indicates that the current offer provides very little benefits for participation. To create a tangible incentive for participation the chair suggests the following recommendation on training:

R2	MOPAC (Mayor's Office for Police and Crime) to incentivise learning and development opportunities for ward panel vice chairs e.g. how to promote inclusion and engagement with seldom-heard community
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- 4.5. This recommendation focuses on particularly developing strong engagement skills to further attract engagement from the seldom-heard community. Additional benefits of this recommendation suggest that it

²²<http://democracy.towerhamlets.gov.uk/documents/s157560/Enc.%203%20for%20Response%20to%20Overview%20and%20Scrutiny%20Committees%20recommendations%20on%20Safety%20Aspiration%20and%20I.pdf>

provides to the individual soft skills development and progression for building their CV portfolio.

- 4.6. Another key obstacle was the location venue and schedule used to conduct ward panel meetings. These were often held in the evening and the residents felt that this was significant enough to put them off from participating. They highlighted limitations around access for people with disability and those with parenting or care responsibilities. Meetings during winter months (when it gets dark early) is further indicated and supported by Council's ARS 2019 which suggests 58% residents (sample 1104) remained concerned about feeling safe after dark. Although the main responsibility lies with SNB to monitor locations and venues, the Council's own experience suggests that implementing a diverse venue and location strategy e.g. exploring venues that are being used by seldom-heard communities for brokering better reach and engagement. Given the above feedback, the chair recommends the following:

R3	Changing the location, time and venues so that those panels that are already well attended add two additional daytime meetings per year, and those with low attendance from residents switch to 2 daytime and 2 evening meetings
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- 4.7. The prime objective is to facilitate more participation from the seldom-heard resident groups with ward panels, who otherwise would not be able to commit.
- 4.8. The challenge session drew out more commonly the concerns on community safety in the context of public realm issues e.g. Poor street lighting, dark and narrow pathways, subways and graffiti leading to perceived concerns of fear and intimidation. Ward Councillors at the session suggested that the Council should consider how it works more closely with community volunteers in order to ensure that as many community spaces are open in the evenings as possible. Furthermore, attendance of Council's Public Realm representatives at ward panels will help to facilitate dialogue with residents (from a particular ward) about their views e.g. Liveable Streets programme from a community safety context. The chair further recommends:

R4	Public Realm representation and attendance at ward panel meetings
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- 4.9. Both OSC's trilogy report 2018-19 and the challenge session's resident feedback highlighted a key need for participation and engagement with young people. The chair's recommendation is to ensure that a Youth Council member is represented on the SNB. The view is that this will strengthen inclusivity and diversity of the board and further develop peer-to-peer reach strategies for young people to engage at ward levels.

R5	Establishment of a Youth Council representative on the Safer Neighbourhood Board as part of inclusive and diversity agenda
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- 4.10. A key concern for seldom-heard residents remains about the publicity of the borough's SNB and local ward panels. Residents fed back on the lack of publicity around awareness and the visibility of opportunities for ward panels. Furthermore, the residents highlighted the lack of user friendliness of the police website, that there remains a percentage of the borough's population that do not or have not access to the Internet at home or are not confident with using the internet. Ward Councillors suggested caution on over reliance of the Internet as the main form of publicity for ward panels. The Council's ARS suggests that only 51% of residents (Sample 1104) use the Council website to source information and only 11% for social media. In order to refresh, promote and showcase the borough's 20 ward panels the chair recommends:

R6	Local authority to lead on a borough wide marketing campaign to publicise ward panels
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- 4.11. The Council has delivered a successful borough-wide Place Campaign and remains in a strong position with a borough wide reach to promote the borough' 20 ward panels. The Tower Hamlets ward panel guidance²³ suggests that SNTs must use all existing local communication mechanisms to share information with the wider public. Tower Hamlets Safer Neighbourhood Inspector is of the view that we should advertise the following:
Defining what a ward panel is and highlighting the substantial impact ward panels have on the local community safety with the goal of increasing greater participation from residents on ward panels.
- 4.12. Taking a collaborative approach to publicising ward panels should help the 'golden thread' alignment of SNB, SNT and ward panels in communicating the same message. The advantage of opening this up to ward panel members will help to develop and tailor a bespoke approach, which may be required to for specific engagement with a particular ward. The findings suggest that empowering seldom-heard residents to designing the publicity will facilitate the local knowledge and wisdom with specific group engagement.
- 4.13. The police's current practice to disseminate safety or priority updates is delivered using the social media site Twitter and some wards produce a newsletter highlighting activities undertaken to meet local police priorities. The SNB chair is of the view that local policing priorities should be promoted on Metropolitan Police Service website but are not currently. The SNB chair further suggests that local ward Councillors are a good source for recruiting suitable members from seldom-heard groups to join their ward panels

²³https://www.towerhamlets.gov.uk/ignl/community_and_living/community_safety__crime_preve/anti-social_behaviour/Safer_Neighbourhoods/Safer_Neighbourhoods.aspx

- 4.14. Last year's OSC's trilogy report 2018-2019 recommends encouraging 'hard to reach' residents to engage with different kinds of participation events e.g. annual 'open' ward panel meetings. Tower Hamlets ward panel guidance offers an SNT public communication approach, but the recommendation below strengthens the approach through collaboration. The chair recommends the following:

R7	A collaborative approach by Safer Neighbourhood Board (SNB), ward panels and the Police to publicise ward panels.
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- 4.15. Lack of trust was a key issue that the seldom-heard residents raised. This was due to the lack of visibility for actions on local police priorities, which has had a profound impact on the seldom-heard resident's level of confidence with SNTs. Often residents suggested that they disengaged with the police as they felt they were not being listened to. Residents felt the need to apologise (show contrition) when things don't go well or according to plan was important in maintaining the relationship with residents and building trust. The chair suggests the following recommendation:

R8	Strengthening trust between the police and the ward's residents e.g. SNTs to lead and implement action-focussed minutes and jointly developing (at ward panels) a cultural framework of co-produced solutions.
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- 4.16. Action-focussed minutes need to support the priorities set by the ward panels and equally feedback on progress of priorities, actionable results and key messages remain crucial in reassuring the community that local policing understands the issues that matter to local people.
- 4.17. The residents commented that there has been a lack of advocacy; lack of understanding of the processes particularly with 101 which led to resident frustration and a feeling of poor response, little or no feedback from local SNTs. This further diminishes the SNTs' credibility particularly around accountability and community trust. The Tower Hamlets ward panel guide suggests that SNT sergeants should be open and honest as to the true capacity of work they can undertake. SNB and ward panels hold SNTs to account. It has been suggested that there has been poor attendance of ward panels from SNTs. Therefore, the chair recommends:

R9	Police prioritise attendance at ward panel meetings, as the fundamental purpose is to hold the police to account.
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- 4.18. The use of community safety jargon, acronyms or abbreviations can be challenging for seldom-heard residents whose first language may not be English, have poor literacy or learning difficulties. The residents commented that key terminology is often used at meetings which they do not understand. This led to miscommunication; much-needed

interruption to provided clarification of terminology; disengagement and poor policing local priorities/outcomes. Community safety terminology should be easy enough for residents to understand in order to achieve a meaningful dialogue when they engage with ward panels. The chair expresses the following recommendation to address the above:

R10	Local authority to develop a meaningful breakdown of community safety acronyms list to facilitate better resident understanding of key terminology
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4.19. The residents had concerns about the 101 non-emergency services²⁴ to report incidents of crime and ASB. This currently costs residents 15 pence per call and residents can report crimes such a stolen vehicle, property damage or suspicion of drug use or dealing in the neighbourhood. Although the SNB have no formal power to elevate this, residents feel that this service is not operating effectively as a call can take as long as an hour waiting for a response. There remains a lack of understanding of the processes and this has led to loss of public confidence in the local police response. It suggests that more resource is required to make the service more responsive and effective. The chair recommends the following:

R11	Mayor to lobby Home Office for more resources for 101 service
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5. Appendices

Appendix 1

Seldom-heard group resident's perception and feedback on barriers and Solutions to engagement collated from the session:

Barriers

- *Money/ resources – without funds it is difficult to participate*
- *Language culture sensitiveness – involving women*
- *Use of acronyms*
- *Lack of awareness of opportunities (ward panels)*

²⁴ <https://www.police.uk/contact/101/>

- *Lack of advocacy*
- *Access to information and website is it up to date?*
- *Percentage of population not able to access the Internet*
- *Opt in system to get information – barrier to people need to know about it opt in*
- *Panel Meeting venue / time and location*
- *Access for disabled people – physical access*
- *Lack of understanding of process – leads to frustration i.e. 101 service*
- *Level of communication between community safety and resident*
- *Police Website difficult to access and scroll local borough information, old site had designated pages*
- *Lack of monitoring or perception regarding police (lack of SNTs) resource*
- *'Will' - The will to work together*
- *Social / class divide – poor / rich areas; work /non-working areas*
- *Lack of knowledge about structures*
- *Trust issues for residents – not listening/responding*
- *Outcomes not communicated to residents – puts off participation*
- *Not listening to serious residents' concerns*
- *Barriers – Economic, Social, Culture, Technology, Language, Disability, Ethnicity, Education, Class.*
- *Council vs Resident - values don't translate for same as residents – where is the action.*
- *Timing of panels for parents remain a challenge meetings pm (evening)*
- *Trust –talking to people in person, working with trusted people*
- *Going to places where people go (e.g. Mosques)*
- *Time commitment how to involve parents and those working several jobs?*
- *Trust – lost confidence*
- *Trust in authorities i.e. institutional racism*
- *Having to move a lot no stability for renters in private sector*
- *Not seeing people like me*
- *Formality*

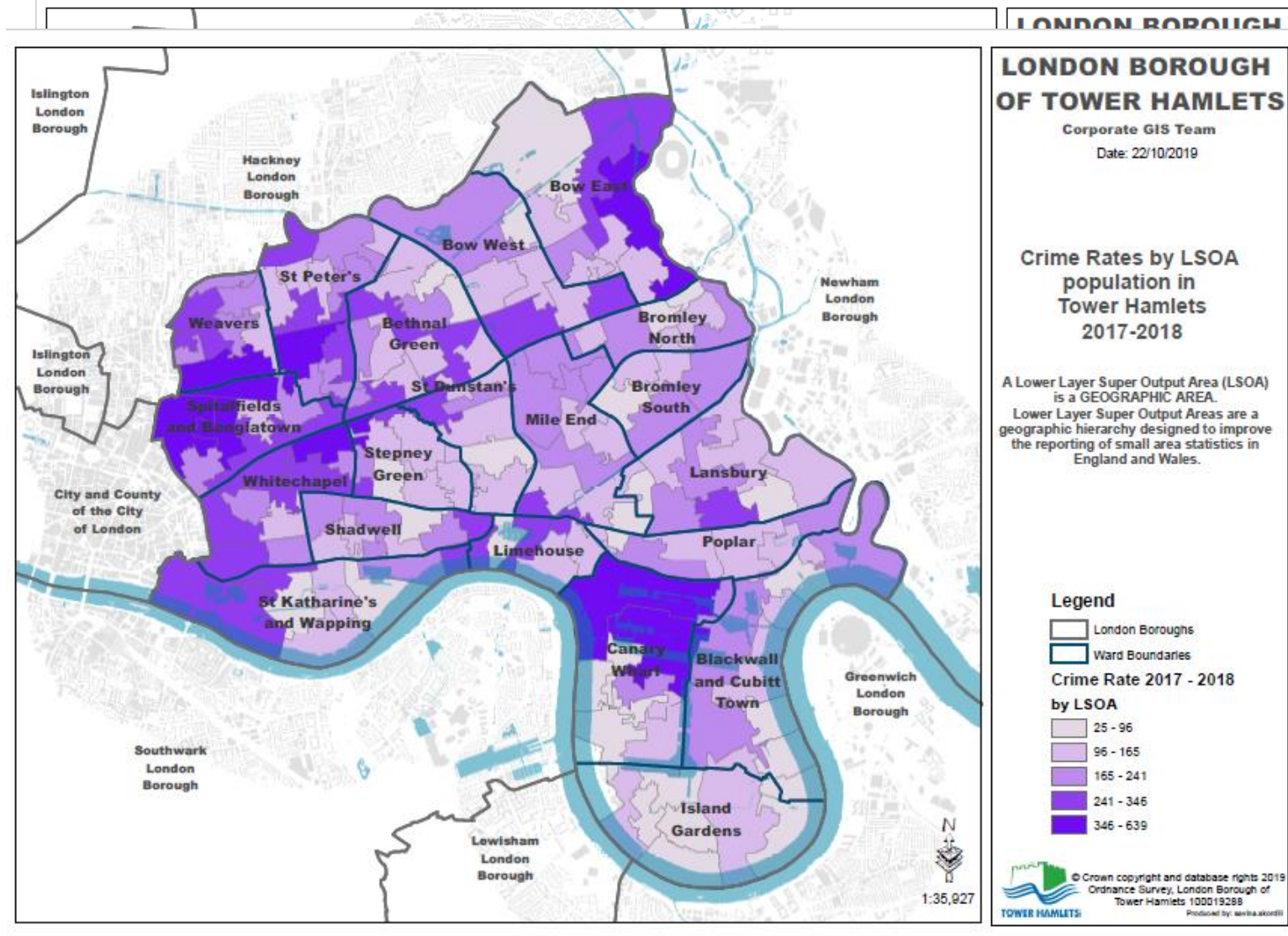
Solutions

- *Intermediary urgent (grassroots – Leaders in community) to link hard to reach groups with police and community safety teams*
- *Incentives for resident's i.e. training CV improvements*
- *Change SNT – shift times to tackle evening crimes – reassure public*
- *Northampton experiment*
- *Identify key community areas, 'feeder' schools, parent groups areas of high volume of ASB by young people*
- *CS members should have links / literature to hand to resident i.e. Cllr Surgeries*
- *Marketing Campaign - ward panels and community safety process*

- *Community safety 'active citizens' champion programme which covers the basics – ideal for ward panel members and interested residents to increase knowledge*
- *Access information for events – ensure all events promoted by the Council includes basic access information for disabled people*
- *Communication's strategy to increase Facebook Instagram and twitter following – so these channels can be used to signpost information and news updates*
- *Regular campaigns to encourage people to opt into ward mailing list /OWL – promote via social media too.*
- *Improve website information so information about Tower Hamlets, SNB, Wards, opt in, links to police website is clearer and easy to navigate*
- *SNB to promote panel to tenancy residents' associations, Housing newsletters, faith spaces etc.*
- *Support resident members to undertake activities that improve or disrupt ASB in the area (community events / awareness raising)*
- *Directory of Acronyms on website*
- *Panels to feed into wider social action campaign i.e. social media campaign to tackle knife crime*
- *Youth Engagement*
- *Young Mayor involvement*
- *Youth clubs*
- *Better coordination of messaging, interventions between parties*
- *Reach out to specialist groups e.g. working with harder to reach groups*
- *Need to encourage better diversity by using all available channels*
- *Rebuild trust by acknowledging breakdown in trust*
- *Proper leadership, role models in elected Councillors*
- *Incentives for engagement*
- *Look at the times/location of meetings*

Appendix 2
Appendix 3

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Scrutiny Recommendations Action Plan

Red, Amber, Green (RAG) status Indicator	Missed target – requires immediate attention	On target but with minor issues – being monitored	On target or completed action
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Action	Responsibility	Date
Recommendation 1: Tower Hamlets ward panels to develop and recruit to vice chair roles		
<i>The Safer Neighbourhood Board (SNB) chair suggests an output from the Ward Panel Conference will be a to explore a list of “best practice” suggestions, and that they would expect encouragement to appoint ward panel vice-chairs to be one of the items highlighted.</i>		
<i>Met Police Safer Neighbourhood Team (SNT) Lead emphasised the importance of recruiting vice chairs, as a ward panel chair can sometimes feel overwhelmed and un-supported. By having a vice chair and a secretary to assist the ward panel chairs will encourage and nurture people to take over the role when ward panel chairs step down.</i>		
SNB chair has planned a “Ward Panel Conference” to spread “best practice” for the running of ward panels and will ensure the recruitment to vice chairs is on the agenda. (delayed due to COVID). The SNB chair’s relevant ward panel now has 4 vice chairs and this action has already begun implementation. This will be discussed as an agenda item at the next scheduled SNB on 20 th July 2020.	SNB Chair	Sept 2020
Red/ Amber/ Green Status	<div><div></div><div></div><div></div></div>	
Met Police SNT lead will contact the SNB Chair to liaise with the ward panel chairs in order to encourage the sharing of responsibilities on ward panel.	Met Police SNT lead	21/02/2020
Red/ Amber/ Green Status	<div><div></div><div></div><div></div></div>	

Recommendation 2: Mayor's Office for Police and Crime (MOPAC) to incentivise learning and development opportunities for ward panels vice chairs e.g. how to promote inclusion and engagement with seldom-heard community						
Mayor to write to London's Deputy Mayor for Crime and Police to address recommendation 2 by the end of July. The letter is being drafted as of 14 th July.			David Courcoux, Head of Mayor's Office		July 2020	
Red/ Amber/ Green Status			<div></div>	<div></div>	<div></div>	<div></div>
Recommendation 3: Changing the location, time and venues so that those panels that are already well attended add two additional daytime meetings per year, and those with low attendance from residents switch to 2 daytime and 2 evening meetings						
<i>The SNB chair agrees with the need to encourage attendance by "hard-to-reach" residents but indicated that he holds different view to the suggested method. Equally, the SNB chair acknowledges the importance for healthy ward panels to develop a "core" group of residents who hold a broad view of their ward and attend regularly. The SNB chair suggests that to achieve consistency; having regular evening meetings with set times (known by ward membership) will improve participation and varying the meetings times may impact participation and membership. The SNB chair recommended having additional meetings with hard-to-reach" residents, and then feedback into the subsequent ward panel meeting.</i>						
<i>Met Police SNT Lead highlighted that ward panel chairs are aware of the need to move the panels around the ward so that it is representative of the entire ward and not just the area that the panel is held in as this can lead to a distorted view of the issues facing the ward. The Met Police SNT Lead also highlights cost implications with some venues charging for the use of facilities. Met Police SNT Lead highlights a potential challenge with moving to daytime meetings (A number of the ward panel chairs hold daytime jobs) and as the role is voluntary moving to daytime meetings may dissuade some people to be part of the ward panel</i>						
SNB chair to ensure that recommendation and alternatives are on agenda for our forthcoming "Ward Panel Conference". This will also be discussed at the next SNB on 20 th July			SNB Chair		Sept 2020	
Red/ Amber/ Green Status			<div></div>	<div></div>	<div></div>	<div></div>
All Ward Police Sergeants to raise at the next ward panel meetings the idea of moving			Met Police SNT		Sept 2020	


Scrutiny Recommendations Action Plan

half of the ward panel meetings to daytime. This does however depend on individual wards and their availability as well as the availability of the police. If there were two additional daytime ones then it would be advised that weekends are used, as the ward panel members usually prefer meetings outside of their working hours and when they do not have to look after children – so evenings tend to work best.	Lead	
Red/ Amber/ Green Status	<div><div></div><div></div><div></div></div>	
All Ward Police Sergeants to look at different venues across the ward for Ward Panel meetings.	Met Police SNT Lead	Sept 2020
Red/ Amber/ Green Status	<div><div></div><div></div><div></div></div>	
Recommendation 4: LBTH Public Realm representation and attendance to ward panel meetings		
<i>In total there are 80 ward panel meetings held in one year (20 ward meetings x4). Public Realm officers have attended some of these meetings already. Public Realm attendance may not always be feasible or required. Public Realm can commit to attending at least one ward panel in a year but if invited and staff are available Public Realm will attend additional meetings. There are also various methods available for residents or groups to raise specific issues with Public Realm services, including the Love Your Neighbourhood app and the “Report It” page on TH website. There are also specific numbers for services available on “Contact us on the phone” page on the website. It would also be useful if the division has a sight of the agenda for ward panels meetings in advance.</i>		
Ensure officer attendance at relevant or required ward panel meetings.	Dan Jones Divisional Director for Public Realm	Ongoing
Red/ Amber/ Green Status	<div><div></div><div></div><div></div></div>	
Recommendation 5: Establishment of a Youth Council representative on the Safer Neighbourhood Board to enhance inclusion and better understanding of diversity		

The Youth Cabinet Member for Community and or another member of the Youth Council will attend the Safer Neighbourhood Board to represent young people, if those meetings take place in the evening. A meeting has been set with between SNT lead and SNB chair to discuss best how to implement this. The right Cabinet member to attend is being identified. Youth Cabinet Member for Community will be attending on Monday 20 th July.	Youth Council Member	13 March 2020
Red/ Amber/ Green Status	<div><div></div><div></div><div></div></div>	
Recommendation 6: Local authority to lead on a borough-wide marketing campaign to publicise ward panels		
Publicity of ward panels are primarily organised and led by the Met Police. The Council's communication service promoted joining of ward panel in 'Our East End' magazine and in March 2019 a larger focussed piece on ward panels was publicised in 'Our East End'. When ward panel meetings take place, the Council has provided support in promoting meetings across its social channels and resident e-newsletters. The Community Safety pages of the council web site has a section on how to join Safer Neighbourhood Panels and a link to the relevant ward panel and meeting dates on the MPS web site.		
Promotion of Joining Safer Neighbourhood Ward Panels in 'Our East End' Magazine		Dec 2019
Red/ Amber/ Green Status	<div><div></div><div></div><div></div></div>	
Council will continue to provide a light touch promotion using their channels		Ongoing
Red/ Amber/ Green Status	<div><div></div><div></div><div></div></div>	
Recommendation 7: A collaborative approach by Safer Neighbourhood Board, ward panels and the Police to publicise the visibility of ward panels.		
Met Police SNT lead suggest all ward panel meetings should be on the MPS website page for that ward along with upcoming events. This is also advertised on (Online Watch Link) OWL. Whilst encouraging attendance and participation, there is the risk that the ward panel meeting can become more of a public meeting as opposed to agreeing priorities and holding people to account. Tower Hamlets SNT are currently arranging training with the Next-Door social media platform. This is locally based to the electoral wards and is only accessible to those who live in the area. This is an ongoing piece of work and is not designed to replace OWL. Twitter remains the main social media platform used by the MPS.		

Ongoing action for SNT Inspector to ensure that the Ward Panel Meetings are on the MPS website and on OWL. It should be noted however, that most wards should already be doing this as standard: advertising via the MPS website and on OWL	Met Police SNT Lead	Ongoing Action
Red/ Amber/ Green Status	<div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div></div>
Recommendation 8: Strengthening the trust between the Police and the ward's residents e.g. lead and implement action-focussed minutes and jointly developing (via ward panels) a cultural framework of co-produced solutions		
<i>The Met Police SNT set up a pilot scheme on the Lansbury Ward for a resident led multi agency problem solving team to sit outside of the ward panel to come up with solutions to solve some of the problems on the ward. If this is successful, Met Police SNT will look to roll this out across the Ward Panels.</i>		
Review the pilot scheme of resident led multi agency problem solving team which develops solutions to some of the problems on the ward. N.B Delayed due to COVID. Whilst this has not yet been implemented, there are other resident associations that sit outside of ward panels that work to solve problems on the wards. For instance, St Dunstons has a resident's association for Grand Union Place that have work with housing, police and security to improve an area where they live. This could be a good example of how this could be implemented.	Met Police SNT Lead	July 2020
Red/ Amber/ Green Status	<div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div></div>
Recommendation 9: Police prioritisation of attendance of ward panel meetings, as the fundamental purpose is to hold the Police to account		
The commitment is that all Ward Panels will have a police attendance of at least a Sergeant and a DWO/PCSO. The Sergeant will be prepared with updates on crimes and police activity for the wards. The SNT Inspector will attend at least 1 ward panel meeting per ward per year	Met Police SNT Lead	21/02/2020
Red/ Amber/ Green Status	<div><div></div><div></div><div></div></div>	<div><div></div><div></div><div></div></div>

Recommendation 10: Local authority to develop a meaningful breakdown of community safety acronyms list to facilitate better resident understanding of key terminology			
List of Acronyms compiled – A working document that will continue to be updated	Ann Corbett Divisional Director for Community Safety	31/01/2020	
Red/ Amber/ Green Status	<div><div></div><div></div><div></div></div>		
Recommendation 11: Mayor to lobby Home Office for more resources for 101 service			
Mayor to write to the Home Secretary lobbying for more resources for policing in Tower Hamlets including the 101 service. This is to be completed before end of July 2020 and a letter is being drafted as of 14 th July.	David Courcoux, Head of Mayor's Office	July 2020	
Red/ Amber/ Green Status	<div><div></div><div></div><div></div></div>		
Mayor to raise 101 service resourcing and responsiveness with the Borough Commander.	David Courcoux, Head of Mayor's Office	July 2020	
Red/ Amber/ Green Status	<div><div></div><div></div><div></div></div>		

<p style="text-align: center;">Cabinet</p> <p style="text-align: center;">29 July 2020</p>	 <p style="text-align: center;">TOWER HAMLETS</p>
<p>Report of: Denise Radley, Corporate Director, Health, Adults and Community</p>	<p>Classification: Unrestricted</p>
<p>CCTV Modernisation</p>	

Lead Member	Councillor Asma Begum, Deputy Mayor and Cabinet Member for Community Safety and Equalities
Originating Officer(s)	Ann Corbett, Divisional Director, Community Safety and Substance Misuse Rachael Sadegh, CCTV Transformation Programme Lead
Wards affected	All wards
Key Decision?	Yes
Forward Plan Notice Published	30/04/20
Reason for Key Decision	Financial Threshold
Strategic Plan Priority / Outcome	Priority 2, Outcome 7: People feel safer in their neighbourhoods and anti-social behaviour is tackled

Executive Summary

The report below outlines the plans and rationale for modernisation of the CCTV system and the critical interdependencies between digitalisation, relocation to the new Town Hall, financial sustainability of the Service and the interim procurement of services.

The council works with the Metropolitan Police, Registered Social Landlords (RSLs) and other law enforcement agencies to monitor public space CCTV in the borough and support civil and criminal proceedings. It provides a CCTV service with around 350 cameras operating throughout the borough for a broad range of purposes and across a range of services. Much of the equipment currently used is outdated and requires replacing. Capital funds have been agreed in principle and a programme of transformation works is planned. This programme of works will be critical to the relocation of the service and to future financial sustainability of the service and the ambition to develop a commercial service model.

Service requirements, for maintenance in particular, will change after installation of new equipment and new contracts will be procured to coincide with the implementation of a fully digitalised service. A procurement solution is required to

minimise risks in the interim period prior to this implementation.

External services are currently funded to provide:

- CCTV operators (Charter Security PLC)
- CCTV equipment maintenance (Relovision)
- Maintenance of fibre network (Independent Communication Solutions Ltd)

These organisations are also used by other departments across the Council.

Services are currently procured via several Request for Quote (RfQ) processes across the Council and there are currently no formal contracts in place.

Options for formal procurement of these services have been presented to the LBTH Procurement Review Panel (PRP) and are discussed at length in the report. PRP has advised that, given the impending change of equipment and infrastructure, a direct award would be the most pragmatic and efficient way of ensuring compliance and managing current risks.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Endorse the direction of travel for modernisation of the CCTV service and note the interdependencies of the procurement, digitalisation / capital upgrade and relocation of the CCTV control suite to the new Town Hall.
2. Issue direct awards for a period of up to two years to the three organisations named to ensure continuity of service in the period prior to implementation of a new digital CCTV network.
3. Authorise a draw-down of the capital funds (£3.1m) currently in the Capital pipeline to upgrade the CCTV system to ensure the financial sustainability of the service.

1 REASONS FOR THE DECISIONS

CCTV Modernisation / capital programme

- 1.1 The CCTV service in Tower Hamlets is valued by residents and contributes towards outcome 7 of the Strategic Plan; *people feel safer in their neighbourhoods and anti-social behaviour is tackled.*
- 1.2 Existing analogue CCTV equipment is aging and becoming costly to repair and maintain. A digital upgrade is in line with LBTH 2020 vision around digitalisation and will ensure the future resilience of the service, reduce maintenance costs and facilitate a better quality of service.
- 1.3 Space in the new town hall has been identified for the CCTV suite. The space identified is sufficient to accommodate digital equipment only. The service must have been upgraded sufficiently in time for the move from Mulberry Place to ensure accommodation meets need and this is a critical

interdependency.

Procurement

- 1.4 Average annual spends for each of these organisations are above threshold levels for procurement via the Request for Quote (RfQ) process and require a competitive tender or framework procurement.
- 1.5 The Tower Hamlets CCTV system is soon to be upgraded from analogue to digital equipment which will require significantly different services from 3rd party providers. A competitive tender exercise for such a short-term contract (approx. 18 months) is unlikely to provide best value and may increase costs.
- 1.6 As we currently have no formal contract with these organisations, there is a risk that any future GDPR breach with regards to the handling of highly sensitive information would be attributed to LBTH. This represents a financial and reputational risk for the Council and has been listed on the Corporate Risk Register.
- 1.7 The organisations concerned receive funding for services across several departments in LBTH. Work is required to determine what all of these services are, how they integrate, how long they are required for and ultimately how they might be commissioned in a more strategic and integrated fashion across the organisation. A direct award is needed to allow time for these complex considerations and cross organisational working to take place prior to running a fully compliant competitive exercise.

2 ALTERNATIVE OPTIONS

Procurement of existing services

- 2.1 Continue to procure via RfQs across the Council
This is not compliant with procurement legislation or the Council's constitution as spend is above threshold for RfQ and the need for these types of services is expected to continue for up to 2 years.
- 2.2 Procure via competitive tender.
Procurement via competitive tender is a lengthy process and would not represent best value for a 12-18-month contract. Prices charged may increase to cover the bidding costs to the supplier and competition may be limited by the short contract length. There would be a period of relative instability whilst contractors finished / commenced work as well as a lengthy TUPE process for staff involved. This could jeopardise the Council's ability to provide continuous CCTV services for its partners in the short term. Whilst this is inevitable with any contract handover, it would not be desirable to complete this process twice within two years.
- 2.3 Procure via a framework
Frameworks have been reviewed to seek out a suitable pre-procured route for these services. No such framework exists for the provision of CCTV Operators. The other services would require a combination of more than two

frameworks, and this would still not offer the full spectrum of services.

CCTV Modernisation

- 2.4 The existing analogue equipment is now failing with an increasing frequency and repairs are becoming more costly. Without digital upgrade and replacement, the only options for CCTV are to significantly reduce or terminate the service.

3 DETAILS OF THE REPORT

- 3.1 The council works with the Metropolitan Police, Registered Social Landlords (RSLs) and other law enforcement agencies to monitor public space CCTV in the borough and support civil and criminal proceedings. It provides a CCTV service with around 350 cameras operating throughout the borough for a broad range of purposes and across a range of services. These are mainly concentrated in Community Safety, Public Realm and Licensing and are serviced by a 24hr CCTV control suite located in Mulberry Place with 70 cameras on view at any given time. The service is tasked with visually monitoring the public space and enabling a proportionate response to incidents as they occur. This can relate to street crime, vehicle theft, drug or traffic offences, anti-social behaviour, dangerous conditions and/or a major incident.
- 3.2 Many of these cameras have been operating for up to 13 years and using outdated analogue technology. Recently, capital funds have been agreed to finance the replacement of cameras and essential control room CCTV equipment over three years. This will also extend to improving the capacity of the CCTV network infrastructure to meet identified and emerging needs around utilising digital technologies to achieve a more effective camera deployment system.
- 3.3 The CCTV service was transferred to the Community Safety division in January 2019 and now forms part of the Safer Neighbourhood Operations Service. Since then, the Safer Neighbourhood Transformation Steering Group has been created. The Group oversees the governance and operational arrangements around the delivery of the service's key transformational activities to inform Mayoral and Members reporting around a visible enforcement approach and holistic partnership response. The Group is chaired by the Divisional Director of Community Safety and is supported by members of the Corporate Programme Management Office (CPMO).
- 3.4 To inform the £3.1million capital expenditure proposed, the Strategy, Policy and Performance (SPP) service carried out research and local findings to assist the service in developing an underpinning and outcomes driven proposal for CCTV. As well as facilitating focus groups with youth groups, consultation sessions extended to the Mayor, the Cabinet Member for Community Safety, Directorate Leadership Teams (DLTs) and Corporate Leadership Team (CLT) to ensure the CCTV system would be most effectively deployed and measured to deliver local services.

- 3.5 A subsequent report on the Tower Hamlets CCTV approach was approved by the Mayor in Cabinet in June 2019. This outlined an evidenced based rationale for future CCTV delivery both in achieving its strategic priorities and as an effective tool to respond to crime and ASB, environmental crime and the safety and security of the Borough.
- 3.6 The approval extended to agreeing 18 recommendations around strengthening the council's role with regards to CCTV on detection, investigation and public reassurance. These included:
- Expand the Council's network of HD, UHD and 4K cameras
 - Consider the tactical placement of the Council's CCTV network as part of the infrastructure upgrade
 - Develop clear governance accountability to monitor the effectiveness of the CCTV network
- 3.7 The CCTV programme will be responsible for delivering the majority of the recommendations proposed by Cabinet.
- 3.8 The CPMO carried out an initial review of CCTV with Strategy Policy Performance, Community Safety and Safer Neighbourhood Operations to scope the resource requirements for moving the work forward with an overview presented to the Safer Neighbourhood Transformation Steering Group in August 2019. This outlined a number of additional requirements encompassing critical procurement activities and key risks which were either not factored in or known at the time the original capital programme bid was presented. These include:
- a) *Relocating and associated refitting requirements of the CCTV control suite to align with the end of lease arrangements at Mulberry Place.*
 - b) *Carry out a cost benefit analysis on the current delivery model and propose a new future approach for the CCTV service*
 - c) *Formalising arrangements with the supplier that currently provides the CCTV staff operators who are responsible for monitoring CCTV camera activities.*
 - d) *Procuring the installation and maintenance of CCTV equipment for which there are no contractual arrangements in place.*
 - e) *Implementing CCTV regulatory requirements around surveillance and use of data where an informed compliance and conformity matrix has been developed to address data protection and GDPR;*
 - f) *Commercialisation of the CCTV service is the ambition. It will relieve pressure on the General Fund, however until we have a service that is compliant with all governance and financial regulations, this is not recommended at this stage.*
 - g) *A clear understanding that the capital works programme is a key dependency to the transformation of the service and as such will actively support other necessary tasks including but not limited to procurement and NTH activities.*

- 3.9 This report outlines the modernisation plans for the CCTV system and a proposed approach to procurement to deliver items c) and d) above.

CCTV Modernisation

- 3.10 The ambitions to upgrade and digitalise the CCTV system are intertwined with the move to the new town hall as well as a need to make the CCTV system more cost effective and, ultimately, a commercially viable service. The projects are interdependent and timely delivery is required at pace in each area for full delivery of the service ambitions and the Cabinet agreed approach for the service.
- 3.11 The CCTV annual spend is currently in excess of the budget allocated. Much of the additional expenditure is due to the aging equipment and increasing maintenance and repair services. The proposed digital upgrade of the system is necessary and required urgently to reduce these costs and bring the service within available budget. Capital funds for modernisation are in the capital pipeline and a detailed Project Initiation Document is being developed.
- 3.12 Ultimately, the service must change and generate external income to remain sustainable. This is not possible without a digital upgrade and therefore the Capital project is vital for a sustainable service that will deliver for residents.
- 3.13 The CCTV service will move to the town hall when the Council leaves Mulberry Place. A space has been identified based upon a fully digital model of CCTV being in place at the time of relocation. Analogue equipment requires more storage space and therefore the upgrade must have progressed sufficiently by this time to ensure adequate space is available. The service must be fully digital before leaving Mulberry Place.
- 3.14 The points outlined above demonstrate the need for a timely capital upgrade. Key milestones and indicative deadlines are presented below though are dependent upon an expeditious approval of capital funds.

Key Milestones	Deadline
Consultancy work to commence to deliver technical specification for capital project	24/07/20
Draft capital PID to be presented to Capital Delivery Working Group	04/08/20
Specification for CCTV system / control suite completed	30/09/20
Procurement of equipment and installation contractors to commence (go-live date)	14/01/21
Equipment available for installation	30/09/21
Installation of new street equipment	01/11/21-30/06/22
Earliest date for fit-out of CCTV control suite (timescale determined by Town Hall project team)	Spring 2022
Deadline for CCTV suite to leave Mulberry Place (move schedule to be determined by Town Hall project team)	30/09/22

- 3.15 There is currently an ongoing financial review of capital projects that are in the pipeline but do not yet have a committed budget. Proposals for funding commitments against these projects will be brought to Cabinet in September 2020. The CCTV project is fully funded via Community Infrastructure Levy (CIL) funds and therefore, has been included in the provisional programme that will be presented in the September report. On 16th January 2020, the Capital Strategy Board recognised that the governance process needs to have a degree of flexibility to enable works required as a result of changes in legislation or regulations to be delivered without undue delay.
- 3.16 Authorisation of capital funds in advance of September Cabinet would enable work to start earlier than September to reduce risks associated with business continuity, finance and relocation to the new Town Hall.

Current supply of goods and services

- 3.17 Whilst modernisation of the CCTV service and relocation to the new town hall are critical, this will not be delivered for the next two years. Meanwhile, the CCTV service is still running and purchasing services from three organisations without formal contracts. This presents significant risk to the organisation and an interim solution is proposed to mitigate this corporate risk.

Charter Security PLC (Parent Company, Grosvenor)

- 3.18 This company provides CCTV operators and supervisors for 24/7 operation of the CCTV system. There are currently 8 operators and 4 supervisors working across 4 shifts operating the CCTV system. The service also provides 2 call handlers on 4 nights each week handling noise service calls. Staff are very much integrated into LBTH and Charter Security currently do little more than make staff payments. This arrangement has resulted in increased staff loyalty and we do not see the high levels of turnover experienced in other boroughs which has been beneficial to service continuity and quality. The company has been paid to deliver these services for a number of years but for a variety of

historical reasons there is no formal contract in place. Annual spend with Charter over the last 3 financial years is detailed in Table 3.1.

- 3.19 Unison have made a suggestion that this service be brought in-house. A full cost benefits analysis has been commenced to determine whether that is a viable option alongside other potential options – a decision is anticipated in the latter part of 20/21.

- 3.20 Table 3.1 Charter Security Spend

Year	Spend
2017-18	£374,226
2018-19	£596,924
2019-20	£615,396

Relovision

- 3.21 This company provides maintenance and installation services for cameras and other CCTV related equipment on the streets of Tower Hamlets. The company provides one maintenance day per week with two engineers and cherry picker machinery as well as an on-call and rapid response service to manage emergency repairs. This organisation is also used by a number of other services across LBTH, Communications and Parks in particular. Communications have previously had a formal contract in place which has now expired, Parks procure services via RfQs. Total organisational annual spend for the last 3 financial years is detailed in Table 3.2 below. All spend has been included for transparency.
- 3.22 The service was, until recently provided by Comfortzone. The Chief Executive of Comfortzone has now retired and handed over the business to the Chief Engineer of the company who has formed a new company called Relovision. Procurement has commenced with this company via RfQs from Parks, Communications and CCTV.

Table 3.2 Comfortzone spend

	2017/18	2018/19	2019/20
CCTV	£156,283	£92,813	£175,634
Mile End Park	£9,230	£20,867	£23,095
Children's Centres		£24,130	
EXC4 Place	£13,387	£8,355	
Business Development		£18,214	
Sports & physical activity		£8694	£190
Arts, Parks, Events	£5,560	£41,410	
Parking Control		£5,290	
Comms	£5125		£3,510
First Response	£2,334		
Environmental services	£737		
Admin buildings		£131	
Careers Service		£835	
Civil Protection Unit	£882		
TOTAL SPEND	£193,696	£219,089	£202,429

Independent Communication Solutions Ltd

3.23 This company provides maintenance and installation services to the fibre network that serves the CCTV network. They currently provide 2 monthly visits to the borough as well as a 24hr call out response and minor programming changes as and when required. Additional costs are incurred for new installations eg installation of a new camera. The call out response (24 hr cover, 4 hr response, 24 hours best endeavour repairs) has proved invaluable in previous ICT network failures and is therefore a critical service for business continuity. This service is also utilised by other departments across the Council.

3.24 Annual Spend is detailed below in Table 3.3. All spend has been included for transparency.

Table 3.3 Independent Communication Solutions Ltd

	2017/18	2018/19	2019/20
CCTV	£43,447	£31,821	£53,680
EXC4 - Place	£4440		
EXC9		£16,160	
Economic Development		£4525	
Parking control		£235	
TOTAL SPEND	£47,887	£54,391	£53,680

Options for formal procurement of services

3.25 The CCTV operating system, equipment and location will significantly change after the implementation of the Capital programme. At this point, service

requirements will also change significantly and therefore it is anticipated that the formalisation of current arrangements will be required for a term of 1 -2 years until the new equipment is in place.

- 3.26 Current CCTV spend values over a period of 2 years with Charter and Relovision exceed thresholds for request for quote processes.
- 3.27 CCTV spend on equipment and parts over the next 1-2 years will reduce as old equipment will only be replaced in emergency situations in anticipation of the installation of new equipment. After implementation of new equipment, there is unlikely to be much need for replacement in the first few years and some maintenance capacity will be included within equipment contracts. Communications expect that there will be further requests for display screens (which are currently supplied, installed and maintained by Relovision) across Idea stores and in relation to the waste service having moved in-house. However, there will likely be a different solution in the new Town Hall.
- 3.28 In order that formal contracts are in place and risks outlined are managed, procurement processes should be undertaken as speedily as possible whilst still complying with relevant legislation and securing best value.
- 3.29 A summary of procurement options has been presented in Table 3.4 below indicating which options are available based upon spend thresholds. Options are considered for each service in the paragraphs below in relation to CCTV services only. These options were discussed at the Procurement Review Panel on 20/02/20.

Charter Security PLC Services

- 3.30 The annual cost of operators alone is above the EU procurement threshold and therefore RfQ and RCDA routes are not appropriate.
- 3.31 There are no government frameworks currently available for procuring CCTV personnel services.
- 3.32 This leaves only the option of competitive tender. Provision of this service will be required in its current form until new equipment is installed. Post installation, the service will remain largely the same but will be using new equipment and will be in a different location. Therefore, this service, if procured, could be procured for the period pre and post new equipment installation.
- 3.33 However, there are options to explore regarding potentially bringing this service in-house and therefore a procurement exercise commencing currently would not be an efficient use of resources. This does leave a GDPR risk whilst the cost benefit analysis and competitive tender is undertaken. However, the Council will be seeking to agree appropriate data sharing agreements with the contractor in accordance with the law should the recommendations of this report be agreed.

- 3.34 If it is determined that procurement is the desired route, then a full competitive tender would be recommended for a period of up to 5 years (2+1+1+1). This would not commence prior to Q3 2020/21 and would not complete before Q3 2021/22. Therefore, there is still an interim risk to be managed.
- 3.35 The Procurement Review Panel advised that given these circumstances, the best route to procurement for an interim period of up to 2 years is via direct award.

Relovision Services

- 3.36 The annual cost for the weekly CCTV maintenance visits for Relovision is £41k. Any urgent work or cost of replacing cameras / equipment etc is additional. Therefore, CCTV spend over 2 years is likely to be above RfQ levels and organisational spend will certainly be above threshold levels .
- 3.37 There are a number of frameworks available to procure the services currently provided by Relovision, but no single framework covers the full range of services required. Relovision are not suppliers for any frameworks so this route would definitely mean a change of supplier which would pose a risk to the continuation of the service prior to the implementation of new equipment. Relovision are familiar with our locations, equipment and personnel and we are unlikely to get the same service from a new contractor without short term risks to business continuity.
- 3.38 These services could be procured via competitive tender. However, this is unlikely to attract many bidders due to the short-term nature of the contract. There is also a question about whether the resources and time required for a competitive tender would facilitate the objective of best value for the Council given such a short contract (probably 12-18 months). Tender prices could very well be inflated to account for TUPE and setting up costs.
- 3.39 Anticipated CCTV spend over the next 2 years is likely to be above RCDA thresholds.
- 3.40 The Procurement Review Panel advised that given these circumstances, the best route to procurement for an interim period of up to 2 years is via direct award.
- 3.41 As Relovision is used by several services across the organisation, an opportunity exists to combine services under one contract and negotiate organisational wide savings and efficiencies when making the direct award.

Independent Communication Solutions Ltd Services

- 3.42 The CCTV costs associated with this service are less than £50k per year. In recent years (including this financial year) there have been additional calls upon the service for capital projects in other services. Whilst the CCTV service expenditure over the next 2 years would most likely be below

£100,000, anticipated spend from other departments is currently unknown but organisational spend could exceed the RfQ threshold.

- 3.43 ICS built the fibre network for us from scratch and have significant knowledge of the design, passwords, security etc of the system. This knowledge would have to be transferred to any new provider and would probably necessitate funding ICS on a consultancy basis as part of any set-up process.
- 3.44 Frameworks are available for these services but are limited in scope and would not cover the full range of services.
- 3.45 An RCDA would not be possible for these services due to the combined cost of the other services that utilise ICS' services.
- 3.46 A competitive tender approach is possible but is subject to similar risks outlined in 3.31.
- 3.47 The Procurement Review Panel advised that given these circumstances, the best route to procurement for an interim period of up to 2 years is via direct award.
- 3.48 As ICS has been used by a number of services across the organisation, an opportunity exists to combine services under one contract and negotiate organisational wide savings and efficiencies.

Table 3.4 Summary of Procurement Options

	RfQ	Framework	Tender	RCDA
Charter Security PLC	X 2 year spend above threshold	X No frameworks currently in place for CCTV personnel	✓ Will need short term safeguards in place whilst tender process is completed	X Above Threshold, even for 3 months.
Relovision	X 2 year spend above threshold	✓ Frameworks available but multiple required to cover the full range of services. Would definitely mean a new provider(s).	✓ Unlikely to attract many bidders for such a short-term contract and may not represent best value.	X Organisational spend is above threshold.
ICS	X Not possible for level of organisational spend.	X Frameworks not available to cover the full range of services.	✓ Unlikely to attract many bidders for such a short-term contract and may not represent best value. Business continuity risks with a change in provider.	✓ Clause b. On balancing the risk and circumstances, it is clearly in the Council's interest to do so.

Affordability

- 3.49 The CCTV service was overspent in 2019/20 due to historic budget shortfalls. The overspend in 19/20 was covered by staffing underspend in other areas of the Safer Neighbourhoods service which will not exist in 2020/21. Therefore, budgetary savings have been identified. As these savings involve some CCTV and Partnership Taskforce service reduction, contract capping and income generation, the plan was agreed at Health, Adults & Communities Directorate Leadership Team on 18/05/20 and discussed with the lead member / Deputy Mayor and the Mayor. Actions required for delivery of these savings / income generation have already commenced. A summary of savings is shown below in Table 3.5.

Table 3.5 CCTV Savings Plan Summary

Option	2020/21 saving	2021/22 saving
1 – Reduce number of CCTV operator hours (no cover for holidays / sickness of a 3 rd operator on shift)	£161k	£161k
2- Negotiate contractual charges	£16k	£33k
4- Reduce maintenance of cameras (Move to fortnightly maintenance and only repair common faults)	£100k	£100k
5-Hold ASB post	£53k	£53k
6 – Hold Partnership Task Force vacancies/stop funding	£200k	£200k
9 – Income generation via Fixed Penalty Notices (THEO activity to cease street urination, littering, unlicensed street trading)	£30k	£70k
10 – income generation via formal SLAs with other departments and external organisations	£16k	£16k
11- Hold RRT manager post	£55k	£74k
TOTAL	£601k	£707k

4 EQUALITIES IMPLICATIONS

- 4.1 The proposal to agree a direct award to the three organisations concerned would not instigate any changes to services or personnel and therefore there are no equality implications.

5 OTHER STATUTORY IMPLICATIONS

- 5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:
- Best Value Implications,
 - Consultations,
 - Environmental (including air quality),
 - Risk Management,

- Crime Reduction,
- Safeguarding.
- Data Protection / Privacy Impact Assessment.

Best Value Implications

- 5.2 The Council has a duty of best value. Whilst a direct award would not facilitate any market testing, the following investigations have been undertaken:
- 5.3 CCTV operator service: The costs associated with this service are limited to operator salaries and a management fee. Current operators would be entitled to TUPE protection if the service were transferred to an alternative provider. Therefore, the only change in price would be the management fee charged. The current provider has indicated that the management fee charged would be smaller if there was a contract in place due to the increased commercial certainty. Preliminary investigations with other organisations have not demonstrated significant differences in management fee.
- 5.4 CCTV Maintenance service: It has proved difficult to benchmark costs for this service as the service we require is individual to Tower Hamlets with a distinct mix of services, equipment and systems. We require engineers to be trained in each of the systems we use, and this has been developed over a number of years with Relovision / Comfortzone in response to the needs of LBTH. It is likely that any other provider would need to outsource some of these services in the short-term incurring consultancy type fees. Relovision also provide other services across the Council and a broader contract could facilitate efficiencies and cost savings.
- 5.5 Fibre maintenance service: This service includes software provision (Solarwinds) and provision of a 100Mb two-way circuit from the internet to the CCTV control room (approximately 50% of total spend). Purchasing these via ICS allow for trade discounts that are not available to LBTH. Quotes have been sought for these two services separately and are considerably higher than the current total spend for ICS. CISCO approved engineers such as those provided by ICS can demand up to £1000 per day and therefore prices could be considerably higher than the current cost of ICS services.

Risk Management

- 5.6 There are a number of risks associated with the current contractual situation:
- Risks associated with non-compliance of procurement regulations
- 5.7 The service is not currently compliant with procurement legislation and could be open to legal challenge from suppliers, though the risk is considered to be low. Best value has not been tested in this area. A direct award for a short contract would allow focus and attention to be redirected to procurement of the new services required when new equipment has been installed.
- 5.8 Whilst there are currently no issues with service performance, there is no contractual framework in place to resolve any future issues. A contract award

would be governed by a service specification which could be utilised effectively for the period of the contract.

Risks associated with GDPR

- 5.9 The council is the data controller for CCTV footage and images and the general operation of data processing for this service and is legally responsible for compliance with the Data Protection Act 2018. The council actively engages in this operation, working alongside a number of other organisations. It has a significant remit and the CCTV operation is of a considerable size. Data controller responsibilities fall under part two of the Data Protection Act for general data processing, and part three of the act processing data concerning crime. The CCTV operation will fall under both parts of the act.
- 5.10 Three private companies provide services to the council's CCTV functions and process personal data. It is the responsibility of the data controller to ensure that effective contracts are in place with all data processors working with their data. Without a contract in place specifying the terms of the data processing required, the council is in breach of GDPR and the Data Protection Act 2018
- 5.11 In addition to this non-compliance with the legislation the Council will be held responsible for any personal data breach caused by the processes and any fine or claim for compensation will lie with the council not the processor. This represents a financial and reputational risk and has been listed on the Corporate Risk Register.

Business continuity risks associated with changing providers.

- 5.12 Any change in provider represents a risk to business continuity. Current CCTV systems are well known by the third-party organisations currently providing services. Changing suppliers at this time would require significant handover activity which would not be an efficient use of resources given the CCTV system is soon to change significantly.
- 5.13 During the current COVID situation, the CCTV service is business critical. Not having formal contracts in place provides no assurance with regards to business continuity and providers could pull out at any time as there are no contractual requirements in place.

Risks associated with CCTV modernisation

- 5.14 The CCTV system is currently not sustainable within the budget envelope available. Modernisation must proceed at pace to make it a sustainable service and facilitate relocation into the new Town Hall.
- 5.15 The relocation of the CCTV suite into the new Town Hall is time critical and modernisation must have progressed sufficiently by the move date. Any cameras that have not switched to digital prior to the move will not be in operation until the switch has been made.

Data Protection

- 5.16 There are a number of well utilised policies and procedures in operation within the CCTV service with regards to release of data / footage. However, a breach of GDPR legislation is a significant risk in this area. Under the legislation the responsibility for any breach rests with LBTH rather than the employers of the CCTV operators. This represents significant financial and reputational damage risk and would be managed if a formal contract was in place detailing our policies / procedures and GDPR requirements and data sharing protocols.

6 COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 This paper sets out the proposal to direct award 3 contracts predominantly purchasing services for the CCTV service, following advice from the Procurement Review Panel. The proposal has considered the work that has started on CCTV transformation and the expected duration of this, hence the request for contract duration of up to two years.
- 6.2 The contracts cover a range of activities, including CCTV operators and maintenance of the CCTV and fibre network, as well as a small level of services to other areas of the council.
- 6.3 Estimated annual contract values will be in the region of £675k for Charter Security (CCTV operators), £220k for Relovision (previously Comfort Zone, providing CCTV maintenance) and £60k for Independent Communication Solutions (fibre network maintenance).
- 6.4 The budget shortfall for the CCTV service in 2019/20 was met by underspends across the Community Safety Division. Due to changes in other parts of Community Safety it is not possible to meet the budget shortfall for 2020/21 and 2021/22. The recovery plan set out in paragraph 3.42 above attempts to address the budget shortfall in the current and next financial year. This plan has risks as it may not be possible to reduce expenditure or increase to the degree proposed. These risks will increase with respect to 2021/22 creating pressure on the future budget position.
- 6.5 To address the budget shortfall, it is planned to invest capital funding available to replace existing analogue cameras with digital cameras, implement service changes and reprocure contracts to operate the service. Implementation of that plan must be a priority and put in place ahead of April 2022 to minimise the risk of any future unbudgeted cost pressures. It may be necessary to prepare a financial plan to set out the benefits of making the capital investment and how that investment will address the financial shortfall.

7 COMMENTS OF LEGAL SERVICES

- 7.1 The Council has the legal power to purchase the services which are the subject of this report. This is because CCTV facilitates the provision of a number of services for which the Council has a statutory duty to provide.

- 7.2 It is the Council's intention to reprocore the entirety of the system and service within the next 2 years. However, an interim solution is being sought which ties in with the reprocorement of the main system.
- 7.3 Regulation 32 of the Public Contracts Regulations 2015 allows the Council to negotiate a contract directly with a provider without an advert where "competition is absent for technical reasons".
- 7.4 The services referred to in this report must match the physical system requirements and these are due to change. Therefore, a reprocorement of the services referred to in this report must match the timings of the replacement of the physical system and therefore re-procurement of the current services is not appropriate at this time.
- 7.5 This means that the proposal complies with Regulation 32 and an award without placing an advert is lawful.
- 7.6 Also, a full tender for a short-term contract would likely fail or be uneconomic due to the resources of tendering being significant as well as potential TUPE related costs when compared to the prospective bidder's reward from such a short term contract. Therefore, direct awards are being sought to cover the interim period. Similarly, tendered short-term contracts are unlikely to represent Best Value for the reasons stated in the report and would therefore not comply with the Council's statutory duty in this regards
- 7.7 The Council also has a clear intention to procure the whole system and therefore the award without an advert is not being performed for anticompetitive purposes in breach of regulation 18 of the Public Contracts Regulations 2015
- 7.8 As part of the direct award process the Council through legal services will ensure that appropriate GDPR and Data Protection Act compliant data sharing agreements are in place and the services are appropriately audited in accordance with the Information Commissioner's Office standards.
- 7.9 There are no immediate Equality Act 2010 implications arising from this report.

Linked Reports, Appendices and Background Documents

- NONE

Linked Report

- NONE

Appendices


- NONE

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

- NONE

Officer contact details for documents:

N/A

<p style="text-align: center;">Cabinet</p> <p style="text-align: center;">29 July 2020</p>	
<p>Report of: Denise Radley, Corporate Director of Health, Adults and Community Services</p>	<p>Classification: Unrestricted</p>
<p>Progress Report of the Loneliness Task Force</p>	

Lead Member	Councillor Rachel Blake, Deputy Mayor and Cabinet Member for Adults, Health and Wellbeing
Originating Officer(s)	Somen Banerjee (Director of Public Health) /Keith Williams (Programme Lead – Commissioning)
Wards affected	All
Key Decision?	Yes
Forward Plan Notice Published	5 June 2020
Reason for Key Decision	The work of the Loneliness taskforce and the impact of Covid-19 social distancing measures including the local community responses has highlighted the need to take stronger and more systemic action to address loneliness and isolation in Tower Hamlets and to sustain the increased neighbourliness and community networking that the virus emergency generated.
Strategic Plan Priority / Outcome	A borough that are residents are proud of and love to live in

Executive Summary

Tackling loneliness and social isolation is one of the issues identified for action through the Strategic Plan. To drive this forward a Loneliness task force working group has been established, chaired by the Older People's Champion and led by the Director of Public Health.

An action plan was adopted in 2019 and is being steadily implemented. The launch of a significant communications campaign has been delayed by the onset of the Coronavirus emergency and will now take place later this year. The first round of allocations under the loneliness small grants programme have been awarded and are due to be implemented if possible from June subject to the limitations of ongoing social distancing guidelines.

The Covid-19 emergency has dramatically highlighted the issue of loneliness and social isolation but also generated a whole community mobilisation that included a rapid expansion of volunteering, social networking and digital and telephone

befriending that has transformed the landscape of support that can be offered to those experiencing isolation. The challenge will be to maintain this level of engagement as the Covid-19 measures are relaxed, finally even for the shielded most vulnerable group, and to build on the positive way that society has adapted within a short period but also to recognise that for some people such as the digitally excluded the risks of isolation have been exposed in even starker terms

This is a moment with potential to permanently change the way we look out for each other and support each other through adversity. It is important to capture this through the Council's Recovery and Reconstitution programme and the ongoing work we do with partners in health and care (Tower Hamlets Together) and other partnerships. The recommendations in the report aim to reaffirm that more than ever this is the moment to tackle loneliness and isolation with energy and commitment.

Recommendations:

The Mayor in Cabinet is recommended to:

- (1) Reconfirm that tackling loneliness and isolation is a strategic issue that the Council as a whole must address involving all service areas and resources.
- (2) Support the continued building of an alliance to tackle loneliness including our partners in Tower Hamlets Together, faith groups, the voluntary and community sector and the wider community.
- (3) Endorse the importance of highlighting the impact of loneliness and the inspiring response of our local communities in the Council's post Covid-19 communications planning.
- (4) Mandate that tackling loneliness continues to be a key thread in the council's community engagement strategy building on the community mobilisation that has been generated through the Covid-19 emergency.
- (5) To support the urgent consideration of how the digital exclusion and digital poverty of people in our community can be systematically addressed to ensure that everyone has access to digital tools to access the services they need as well as to keep in touch with friends and family.
- (6) To note the specific equalities considerations as set out in the report.

1 REASONS FOR THE DECISIONS

- 1.1 The work of the Loneliness task force and the impact of Covid-19 social distancing measures including the local community responses has highlighted the need to take stronger and more systemic action to address loneliness and isolation in Tower Hamlets and to sustain the increased neighbourliness and community networking that the virus emergency generated.

2 ALTERNATIVE OPTIONS

- 2.1 To not agree the recommendations would reduce the chances that the work to tackle loneliness and isolation would lead to positive and sustainable outcomes.

3 PROGRESS REPORT OF THE TASK FORCE ON LONELINESS

3.1 Background to the loneliness task force

“Loneliness affects many residents here, especially the elderly. We support the work of the Loneliness Commission set up by Tower Hamlets resident Jo Cox MP and will lead a task force to identify how we can best address loneliness and isolation here.” (Mayor John Biggs)

- 3.1.1 To contribute to addressing the Strategic Plan objective ‘Provide evidence - based early intervention and prevention programmes, helping residents to be as healthy as possible for as long as possible, the purpose of the Loneliness task force steering group is to put in place a programme of actions that address the issues in Tower Hamlets. The steering group is chaired by the Lead Member for Older People and the Director of Public Health is the officer lead. There is attendance from across Council departments – Public Health (including the Communities Driving Change Programme), Adult Social Care, the Youth Service, Corporate Strategy – Equalities and Partnerships, Corporate Communications Team, the Tackling Poverty team and the voluntary sector. Other teams are invited to attend for specific discussions.

3.2 Impact of the Covid-19 Emergency

- 3.2.1 As soon as social distancing was identified as the key tool in the national response to the coronavirus outbreak it was apparent that the stay at home/self-isolate if sick or vulnerable message had the potential to exacerbate feelings of loneliness in the already isolated and increase loneliness for people who experienced a dramatic reduction in levels of social contact. The requirement for many to also work from home or be furloughed further reduced the daily social contact that many people rely on and studies indicated that this has had an impact on mental wellbeing for significant numbers of people. (See also the Cabinet report, 29th July 2020, ‘Understanding the Impact of Covid-19 in Tower Hamlets’, appendix slides, section on mental health.) The evidence we have for Tower Hamlets bears this out. For example, a Healthwatch Tower Hamlets impact of Covid-19 survey reported that 32% of those surveyed reported that they were feeling socially isolated.
- 3.2.2 In response community organisations started to mobilise quickly and several of the established befriending groups started to build additional capacity through volunteering and in some cases crowd funding to offer telefriending

and virtual befriending support as face to face was not possible within the social distancing guidance.

- 3.2.3 The Council also responded positively putting in place a social support element in the support pathway that was rapidly developed for the vulnerable and especially the shielding extremely vulnerable cohort. The groundwork that the loneliness programme had already undertaken proved helpful in quickly identifying the local organisations that could provide urgent support. Triage callers checked whether those referred to the Council by the NHS had family or friends they could get support from and people that needed additional support were referred on to one of the community groups that could offer help. By 5th May 332 residents had been referred on for telefriending support by community navigators and social prescribers.
- 3.2.4 In summary the impact of the virus crisis has been both to significantly increase levels of loneliness across the whole population but also to dramatically highlight the issue and spark a society-wide effort to befriend and assist neighbours and the vulnerable which may lead to a permanent increase in social capital. The positive community responses can be built on, but the serious adverse impact of digital exclusion has been underlined.

3.3 Loneliness: the national picture and in Tower Hamlets

- 3.3.1 Until recently loneliness was not a major focus of attention and was little measured. It was mostly considered to be an older people issue. However, due to the work of the Jo Cox Foundation and the Campaign to End Loneliness in the last few years there has been a greater recognition of the serious impact on mental health and wellbeing across society, not just for older people. In 2017 the government announced the development of a national strategy to tackle loneliness (which was published in 2018 as *A Connected Society – a strategy for tackling loneliness*) and the ONS started gathering data about loneliness through the annual Community Life Survey.
- 3.3.2 What the early data showed was:
- In 2016 to 2017, there were 5% of adults in England who reported feeling lonely “often” or “always”.
 - Younger adults aged 16 to 24 years reported feeling lonely more often than those in older age groups.
 - Women reported feeling lonely more often than men.
 - Those single or widowed were at particular risk of experiencing loneliness more often.
 - People in poor health or who have conditions they describe as “limiting” were also at particular risk of feeling lonely more often.
 - Renters reported feeling lonely more often than homeowners.
 - People who feel that they belong less strongly to their neighbourhood reported feeling lonely more often.
 - People who have little trust of others in their local area reported feeling lonely more often.

Three profiles of people at particular risk from loneliness were identified:

- Widowed older homeowners living alone with long-term health conditions.
- Unmarried middle-agers with long-term health conditions.
- Younger renters with little trust in and sense of belonging to their area.

The data also showed that loneliness was more prevalent in urban areas with higher levels of deprivation.

- 3.3.3 Detailed data on loneliness in Tower Hamlets is limited. The 2019 resident survey reported that 1% felt lonely often/always, 8% some of the time and 18% occasionally. This is roughly in line with London-wide findings. Age UK publish a heat map of loneliness for older people based on factors such as living alone, widow or widowed, health condition status and this highlights areas across the borough as high risk for loneliness amongst older people including Samuda Estate, East India and Lansbury, Limehouse, Stepney, Whitechapel and Shadwell, Weavers and Bow East.
- 3.3.4 Research by The Campaign Company commissioned by the loneliness task force interviewed over 140 people in early 2020 including older and housebound people, carers, people with a history of homelessness, LGBTQ+ community, young people not in formal education and young families. This highlights that there is a wide variety of individual circumstance that can precipitate loneliness, but these can be compounded by factors such as deprivation, fear of crime, overcrowded housing and the costs of accessing facilities or transport which some people find difficult to afford.
- 3.3.5 National studies have presented limited evidence that ethnic minority communities are more lonely on average than the population as a whole, loneliness prevalence tends to relate more to health, age, deprivation and relationship status and be triggered by life events such as leaving home, going to college, moving area, loss of partner or onset of life limiting conditions. At the same time there is evidence that loneliness can be triggered for some people by a sense of cultural dislocation, especially for recent migrants or refugees, or by the feeling of being outside the societal norms. Or where strong cultural assumptions - such as younger families feeling a strong sense of duty to live alongside older parents and grandparents - are starting to break down and families are becoming more dispersed. These factors are illustrated by some of the qualitative feedback from the Tower Hamlets community insights research:

'There is a growing problem within the BAME community. Ten or twenty years ago families lived together, stayed together, but increasingly children are moving out from their parents' house and living on their own.'

'We moved here from Birmingham so that my husband could find work. I don't have my family to help and I've not really had the time to get to know people at the mosque. My English is not very good so it's difficult to make friends outside the Bengali community. My husband's a chef so he always comes back very late. Sometimes I don't talk to anyone.'

'What I've noticed is with certain groups [of young people] from an Eritrean or Somali background, they're located in Tower Hamlets but their social group is in another area of London and that can create a feeling of separation from the social group which may lead to a feeling of isolation and loneliness.'

The task force will investigate further the impact on different ethnic groups in Tower Hamlets and how cultural challenges may be a factor that can contribute to isolation and loneliness.

3.4. What is already happening?

- 3.4.1 What had become apparent to the task force, well before Covid-19 arrived, is that there is already a considerable amount of activity across the borough to support people who may be experiencing loneliness and isolation. Age UK East London and Tower Hamlets Friends and Neighbours have established befriending services that the Council partly supports. However, there was a shortage of befriending volunteers, although this may change as a result of the Covid-19 emergency community response and the rapid growth of mutual aid groups and volunteering.
- 3.4.2 Housing providers have recognised that feelings of isolation are commonplace in many neighbourhoods. Tower Hamlets Homes has a programme to identify and support isolated people living in its homes and has commissioned Neighbours in Poplar and East London Cares to work in parts of the southern area of the borough and in Bethnal Green. The council's sheltered housing scheme includes a range of activities to reduce isolation of residents funded through the Tenant Activity Pot. Other housing providers also provide support, although this is yet to be fully captured.
- 3.4.3 There are also several intergenerational schemes involving schools – again we don't yet have these fully captured.
- 3.4.4 A number of established funding streams that support work to address loneliness include the Council's own Local Community Fund and small grants programme. Other funders have dedicated funding streams including the Big Lottery Community Fund, the Mercers Company, the Tudor Trust and the THH Inspiring Communities Fund; most of these focus on support for older people.

3.5. Loneliness Action Plan

- 3.5.1 To launch the task force work two well-attended workshop events for stakeholders were held in November 2018 and February 2019. A set of core actions for an action plan were agreed. These were:
- Put in place a comprehensive communications plan around loneliness to both raise the profile of the issue and mobilise the community to help to address loneliness locally.

- Support the Tower Hamlets community to do more by developing and sharing assets including funding where this can be identified and unleash the potential community activism to tackle loneliness
- Upskill staff in the council and partners to be better equipped to recognise and talk about loneliness more confidently, identifying potential loneliness and having the tools to hand that can direct people to where they can get more help
- Mainstream a focus on reducing loneliness into Council's strategies and policies to ensure that it becomes "everyone's business" to help address the issue.

3.5.2 Loneliness Communications: Communicating with residents about loneliness and what can be done to address it is an important element in the programme. The Coronavirus outbreak has highlighted the types of adverse health and social impacts that people can suffer from but also the inspiring community response through local networks, mutual aid and the voluntary sector that quickly stepped up to support those at risk. As we move forward from the lockdown signposting people that need help to be able to access the right support is essential and the reshaped Information, Advice and Advocacy service will be a key resource that will offer a far more joined up service.

3.5.3 Community insights work has been commissioned that helps us to understand who is most affected and how a borough-wide community conversation can be stimulated and supported.

The research will help us to:

- Improve understanding of how loneliness impacts the community in Tower Hamlets including who is most affected.
- Explore how people communicate about loneliness and the most effective ways of approaching this.
- Assess gaps in need and community solutions to inform the Council's approach to engaging those most at risk on this issue.

3.5.4 To deliver the aim to support the community to develop more local assets that can help address loneliness in neighbourhoods, a loneliness small grants programme aligned to the Council's wider small grants programme is being supported with public health grant reserve.

3.5.5 The loneliness small grants programme launched on 5th February. For application details see @ <https://eastendcf.org/tower-hamlets-grants/> Grants of either £200-1,000 or £1,000-5,000 are available. The closing dates for applications are 9th March, 22nd June and 28th September. Nine applications were received by the 9th March deadline and six of these are being recommended for grants. Two of the grants in the first round are in the £200-1,000 range and four are £1,000-5,000 which suggests that we may need to do more to promote the smallest grants, as an aim was to award fifteen of the smaller grants, and also target the areas of the borough that have not submitted applications in round 1. The awarded grants are for;

- Outreach to combat loneliness in older, vulnerable and disabled residents (Limehouse, Shadwell, Wapping)

- A user led club for isolated Bangladeshi and BAME women (Wapping)
- Intergenerational coffee mornings with weekly activity session and gardening (Isle of Dogs)
- Social activities for young Somali women aged 11-19 (Poplar-based)
- A children`s centre-based group for expectant women and new mothers including stress management and walking for physical exercise (Stepney based)
- Community tea mornings for older Bangladeshi women (Bethnal Green)

210 direct beneficiaries are identified by the projects and the total allocated is £21,666; projects will be asked to consider whether they can commence under current social distancing conditions as soon as possible. For the next round all applicants have been asked to take account of the impact of social distancing.

3.5.5 Upskilling staff teams: It is recognised that loneliness is not always easy to recognise or to speak about and we need to invest in upskilling Council staff (and potentially other partner workforces across the borough) so that they are more comfortable discussing this with residents and service users. Staff need to understand the types of support they can offer such as signposting people to local activities or befriending services or places they can go to engage with other people. The aim is to develop a Tool that helps with this by being easy to use and accessible so that a wide range of staff can be part of the campaign and make a difference on loneliness as they go about their day to day work. The Tool will be piloted by groups of staff in the Council such as the Community Navigators and by voluntary organisations with an expertise around tackling isolation (Age UK and Tower Hamlets Friends and Neighbours) and can then be rolled out more widely.

3.5.6 Influencing the Council's core strategies to contribute to tackling loneliness in our community; it is important to recognise that the council's mainstream plans and strategies have a major part to play. Tackling loneliness should be a key strand in the Council's community engagement strategy and there is a strong connection between loneliness and the community cohesion plan. Other strategies and plans have their part to play. For example, the Transport Strategy and the Liveable Streets programme can support people to be more mobile and access wider opportunities. Plans for housing and the physical environment can embrace the ways in which common areas and public spaces can be made more sociable. In 2020 we will aim to take the issue of loneliness to all the Council directorate and divisional management teams so that the profile is significantly raised across all the Council's services and helpful actions can be embedded in all workstreams.

3.5.7 To provide some financial support for the delivery of the loneliness action plan £300,000 has been set aside in the Public Health grant reserve for expenditure in 2020-21 and 2021-22. Options to secure external grant funding are also being explored.

3.6 Getting Back on Track

- 3.6.1 The implementation of national social-distancing measures across the whole population shone a spotlight on the issue of loneliness and isolation and generated significant concern about both the short term and longer-term impacts of enforced isolation. On the positive side the requirement under the national Coronavirus plan to support people to self-isolate including their mental welfare – especially the most vulnerable shielding group – has led to a range of new support mechanisms being rapidly put in place including telefriending and virtual socialising by both existing befriending providers and other organisations that shifted overnight from face to face work to arm's length contact and service delivery. These positive responses will be picked up and developed further through the Council's Recovery and Reconstitution programme so that the new landscape that emerges from Covid-19 can be one that is welcoming, caring and neighbourly.
- 3.6.2 For the loneliness taskforce the aim as conditions ease will be to expand the programme of small grants and find ways to deliver more local impacts, to launch the loneliness communications campaign and raise the profile and priority of tackling loneliness across the Council and with partners in THT and other partnerships. There is a clear need to champion digital inclusion across the whole population as this is a key gap which reinforces isolation for many – this has been exposed by the Covid-19 experience. We can tap into the staff volunteering and community support that has been unleashed by the coronavirus and the new civic spirit evidenced by the mutual aid culture. Above all we must be well placed to take advantage of a different type of society that emerges from this crisis of population health but equally of trust, inter-dependence and societal bonds.
- 3.6.3 The Covid crisis has shown how well both the community and the Council can respond to loneliness even in the most difficult of circumstances. We need to tap into that energy and civic motivation to establish a longer term, sustainable and adequately resourced network of people and organisations (including the Council and council staff) to ensure that Tower Hamlets becomes that friendly and welcoming place that we aspire to be.

4 EQUALITIES IMPLICATIONS

- 4.1 Loneliness is an equality issue; it disproportionately affects people at risk of adverse health inequalities, such as physical and mental disabilities and limiting illness, and other inequalities such as income, access to education and quality housing.
- 4.2 According to the national data (DCMS Community Life Survey 2018-19), young people aged 16-34 are the most lonely whilst those aged over 65 report being less lonely. That is, however, likely to under-represent the degree of loneliness experienced by older people that are living alone, isolated from family, with reducing level of social contact or suffering from life limiting conditions including dementia and alzheimers.

- 4.3 According to the DCMS Community Life survey data¹ there are no significant differences in prevalence between regions, genders or ethnic groups but loneliness and isolation can be triggered by significant life events and refugees and recent migrants do report higher levels of loneliness from feelings of displacement and cultural dislocation. People with a disability or limiting illness are markedly lonelier than others. The data also suggests that people living in deprived areas and urban environments register stronger feelings of loneliness than those in less deprived and/or more rural areas.

5 OTHER STATUTORY IMPLICATIONS

- 5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:

- Best Value Implications,
- Consultations,
- Environmental (including air quality),
- Risk Management,
- Crime Reduction,
- Safeguarding.
- Data Protection / Privacy Impact Assessment.

- 5.2 There are no other statutory implications for this report.

6 COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 This report provides an update on progress on delivery of the programme plan and reflects on the impact on the plan of the Covid 19 pandemic and as such does not propose any new expenditure not already fully funded in the revenue budget for 2020/22.

7 COMMENTS OF LEGAL SERVICES

- 7.1. Section 1 of the Care Act 2014 places a general duty on the Council when exercising its functions under the Care Act to promote an individual's well-being relating to a number of areas including participation in work, education, training or recreation; social and economic well-being; and domestic, family and personal relationships. In addition, section 2B of the National Health Service Act 2006 places a duty on local authorities to take such steps as they consider appropriate for improving the health of the people in their areas. The steps which may be taken to fulfil this duty are wide-ranging and include providing information or advice, providing facilities or services to promote healthy living and for the prevention or treatment of illness, and providing grants. The work being done by the Council to address loneliness within the Borough is consistent with these duties.

¹ Department for Digital, Culture, Media and Sport , Community Life Survey 2018-19:Loneliness Factsheet (<https://www.gov.uk/government/statistics/community-life-survey-2018-19>)

Linked Reports, Appendices and Background Documents

- Appendix 1: Loneliness and isolation programme plan

Linked Report

- NONE

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

- NONE

Officer contact details for documents:

N/A

Appendix A: Loneliness and Isolation Programme Plan (from Jan 2020)

Loneliness Taskforce vision						
<ol style="list-style-type: none"> 1. Tower Hamlets is a friendly and welcoming place 2. Services in Tower Hamlets identify and support people for whom loneliness is an issue in their lives 3. Tower Hamlets is a place that is rich in opportunities for people to enjoy each other's company and where residents can be part of creating these opportunities 						
Loneliness Plan priorities	Planned actions	Objective	Milestones	How evaluated?	Owner	Update
(i) Implement a Communications Plan for Loneliness and Isolation	Commission community insights research	Increase our understanding of loneliness and its impacts in Tower Hamlets and how to engage with those most affected.	<ul style="list-style-type: none"> ▪ Commission research – <i>Dec 19</i> ▪ Fieldwork complete – <i>Feb 20</i> ▪ Report and presentation – <i>June 20</i> 	Report and presentation of findings to the steering group	Keith Williams	Fieldwork is completed and full report to be discussed at the first meeting when steering group reconvenes.
	Agree a communications approach to loneliness and isolation that is aligned with other campaigns to disseminate key messages	Raise awareness of the impact of loneliness Position Tower Hamlets as a welcoming and friendly	<ul style="list-style-type: none"> ▪ Comms plan signed off by steering group – <i>Jul 20</i> 	Regular updates to loneliness steering group	Hannah Jowett	Pick up the energy and lessons from the Covid-19 emergency to maintain the momentum for addressing loneliness. Small grants now launched so need to promote through all channels –

		<p>place</p> <p>Make people aware of the assets available in Tower Hamlets that could help to tackle loneliness</p> <p>Encourage people to take action themselves to help tackle loneliness</p>				<p>discuss further at next Taskforce meeting.</p> <p>Also needs to encompass focus on existing assets and how these can help address loneliness.</p>
(ii) Raising awareness and improving skills of staff	Workshops for staff teams across the health and care partnership and beyond	Increase staff understanding of the impact of loneliness and responsibility to help address	Completed workshops	Feedback from participants	Katie O`Driscoll	Workshops for different staff groups were completed in 2019. Feedback from the workshops will inform the design of the toolkit.
	Develop a toolkit that can be widely used to identify loneliness	Enable staff to identify potential loneliness and	Design toolkit - <i>Jan 20</i> Test toolkit with users - <i>Jul 20</i>	Feedback from users Data on usage and outcomes	Somen Banerjee	Development of the toolkit has been delayed by capacity issues.

	and support staff to make a difference	provide appropriate support and signposting (MECC)	Finalise - <i>Sept 20</i> Roll out – <i>Nov 20</i>			
(iii) Supporting residents and local communities to do more	Build strong links with the Communities Driving Change programme	Optimise neighbourhood buy in where CDC is active in the borough	Discuss with Abi G	Build into CDC reporting	Abigail Knight	Loneliness programme to be highlighted through the CDC steering groups meetings and visits to CDC projects to be arranged.
	Develop a small grants programme that supports individual and neighbourhood action	Enable residents and groups to do more locally to address loneliness	Agree grant guidelines - <i>Jan 20</i> Advertise grants – <i>Feb 20</i> Launch the fund – <i>Feb 20</i> Assess applications and make awards – <i>Apr, June, Sep 20</i> Grant activity starts – <i>Jun 20</i>	Measures of (i) interest in grant scheme (ii) applications (iii) grants awarded	Abigail Knight	First cycle of grant applications now awarded. Projects to commence late May subject to working within Covid social distancing constraints.
	Manage, monitor and evaluate the grants programme to understand the impacts and benefits	Understand the difference that local actions can make and ability to scale up	Agree (light touch) monitoring scheme – <i>Jun 20</i> First monitoring report – <i>Dec 20</i>	Six monthly report back on grants	Abigail Knight	Follow up on first awards to confirm reporting and evaluation requirements.
	Research further the impacts of loneliness at	Understand where loneliness is	Review evidence and report back to the steering group - Dec	Delivery of research/evidence review	Abigail Knight	To follow up on community insights and Healthwatch data

	community level and on BAME communities and how these can be addressed	most prevalent and how it can be addressed in different parts of the community	20			
(iv) Mainstream addressing loneliness into Council plans and strategies	Events that bring together key stakeholders and influencers	Secure buy in and mobilise resources across the Council and partners	Workshop event – date <i>TBC</i>	Workshop report	Keith Williams	Reschedule event for autumn or later
	Deliver a session on loneliness to the Mayor and Cabinet	Raise awareness and secure buy in to the loneliness programme			Somen Banerjee	Programmed for Cabinet in July
	Engagement across Directorate Leadership Teams in the Council and partner organisations	Make best use of levers in Council and partnership strategies and plans	Plan and diarise – <i>Jul 20</i> Follow up – <i>from Sep 20</i>	Evidence of influence on mainstream activities	Somen Banerjee	
	Work with social landlords to tackle loneliness at home	Identify good practice and encourage all social landlords to support	Invite to attend steering group and workshops – <i>from Jan 20</i>	Track and evaluate interventions by the main social landlords	Keith Williams	TH Housing Forum invited to joining the task force - follow up. Forward plan – dedicated item in September

	Work with SPP Team on a Welcome Pack for all residents	Support `Tower Hamlets as a friendly and welcoming place`	Explore feasibility – <i>Sept 20</i> Identify resource costs – <i>Nov 20</i> Decide whether to proceed - <i>Dec 20</i>	Feedback from residents	Emily Fieran-Reed	Cohesion Plan to launch in June
	Work with Information and Advice project to optimise impact on isolation	Ensure that the information and guidance portal supports people that are lonely/isolated and leads to improved outcome	Work with information and advice portal to ensure that it responds effectively to loneliness – TBC (portal procurement delayed) Report back to steering group with findings/action plan – <i>TBC</i>	Feedback from review. Evidence of changes to the portal	Keith Williams	On Forward Plan for further discussion
	Identify actions to address loneliness amongst young people/young adults – cross cutting	Understand how loneliness impacts young people Identify what we can do to support young people better around the issue	Feedback from community insights – <i>June 20</i> Plan to work with schools and youth service – <i>September 20</i>	TBC	Katie Cole	Continue discussion at future meeting and invite Healthy Lives Team (Schools) and Youth Service to engage.