

Cabinet



Wednesday, 14 December 2022 at 5.30 p.m.

**C1, 1st Floor, Town Hall, Mulberry Place, 5 Clove Crescent,
London, E14 2BG**

Agenda

Mayor Lutfur Rahman

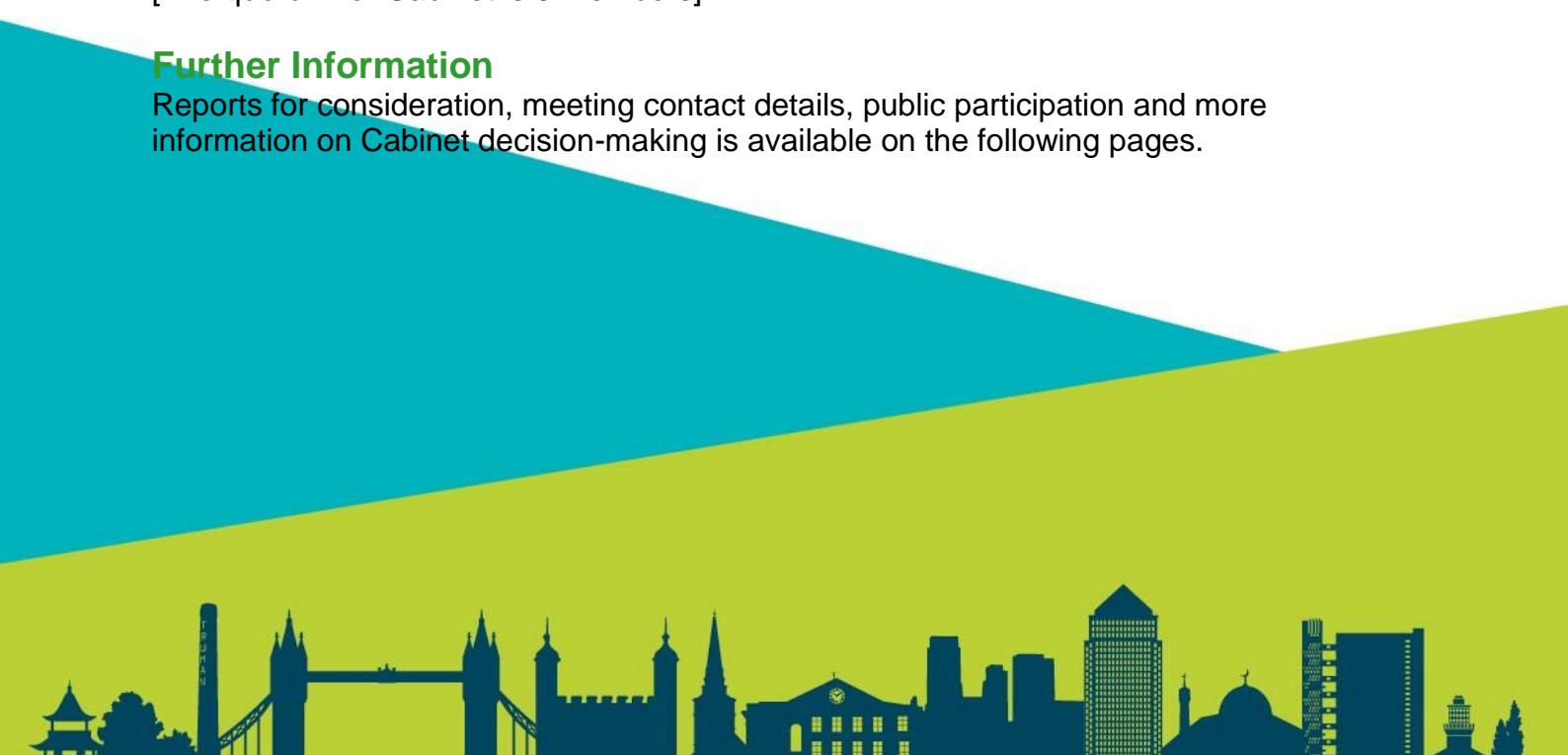
Cabinet Members

Councillor Maium Talukdar	(Deputy Mayor and Cabinet Member for Education, Youth and Lifelong Learning (Statutory Deputy Mayor))
Councillor Kabir Ahmed	(Cabinet Member for Regeneration, Inclusive Development and Housebuilding)
Councillor Ohid Ahmed	(Cabinet Member for Safer Communities)
Councillor Saied Ahmed	(Cabinet Member for Resources and the Cost of Living)
Councillor Suluk Ahmed	(Cabinet Member for Equalities and Social Inclusion)
Councillor Gulam Kibria Choudhury	(Cabinet Member for Health, Wellbeing and Social Care)
Councillor Abu Chowdhury	(Cabinet Member for Jobs, Skills and Growth)
Councillor Iqbal Hossain	(Cabinet Member for Culture and Recreation)
Councillor Kabir Hussain	(Cabinet Member for Environment and the Climate Emergency)

[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 also welcome, however, seating is limited and offered on a first come, first served basis. **Please note** that you may be filmed in the background as part of the Council's filming of the meeting.

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:

Joel West, Democratic Services,
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Web:<http://www.towerhamlets.gov.uk>

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A Guide to CABINET

Decision Making at Tower Hamlets

As Tower Hamlets operates the Directly Elected Mayor system, **Mayor Lutfur Rahman** 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, 16 December 2022**
- The deadline for call-ins is: **Friday, 23 December 2022**

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, 14 December 2022

5.30 p.m.

Pages

PUBLIC QUESTION AND ANSWER SESSION

There will be an opportunity (up to 15 minutes) for members of the public to put questions to the Mayor and Cabinet Members before the Cabinet commences its consideration of the substantive business set out in the agenda.

1. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS AND OTHER INTERESTS

9 - 10

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

11 - 20

The unrestricted minutes of the Cabinet meeting held on 30 November 2022 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 Section 30, Rule 59 of the Constitution).

6. UNRESTRICTED REPORTS FOR CONSIDERATION

6.1 Strategic Delivery and Performance report (22/23) – Quarters 1&2	21 - 66
Report Summary: This report will set out service performance against targets for Q1 and Q2 measuring progress against the Strategic Plan for all of the reportable strategic measures.	
Wards: All Wards Lead Member: Mayor Corporate Priority: All Priorities	
6.2 Budget Monitoring 2022/23 Quarter 2 including Capital	67 - 134
Report Summary: Budget Monitoring 2022/23 Quarter 2 including Capital	
Wards: All Wards Lead Member: Cabinet Member for Resources and the Cost of Living Corporate Priority: All Priorities	
6.3 Development of London Dock School – Appropriation for Planning Purposes and use of Section 203 Powers (Rights of Light)	135 - 162
Report Summary: Authority is sought to grant S.203 Planning Powers to assist with the development of London Dock School and appropriation of Rights of Light Matters	
Wards: St Katharine's & Wapping Lead Member: Cabinet Member for Resources and the Cost of Living Corporate Priority: Accelerate Education	
6.4 Planning for School Places 2022/23 - Review and Recommendations	163 - 206
Report Summary: This report is the annual review of planning for school places. It explains the current position, projected demand, and any proposals to increase and reorganise school provision to ensure our school provision is	

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5 Clove Crescent
E14 2BG

provided where it is needed when it is needed.

Wards: All Wards
Lead Member: Deputy Mayor and Cabinet Member for Education and Lifelong Learning (Statutory Deputy Mayor)
Corporate Priority: Accelerate Education

6 .5 Secure Children's Home for London and Pan-London Commissioning Vehicle

207 - 214

Report Summary:

Children with particularly complex needs, including those who are at significant risk of causing harm to themselves or others, including risk to life, can be placed in a secure children's home when no other type of placement would keep them safe. There is a significant shortage of national secure children's home provision as highlighted by OfSTED and London has no provision. The numbers of children placed are small, but the placements expensive. Further, where places are not available, the alternatives, often requiring multiple ratios of staff for each child, are amongst the costliest placements for children's services. For example, the Association of Directors of Children's Services (ADCS) recently highlighted more than twenty local authorities paying over £20K per week (equivalent to £1 million per year) and one case of £49,680 per week (equivalent to over £2 million per year).

There are few children requiring secure welfare provision and in the last eight months to July 2022 the numbers per local authority in London ranged from zero to three, with further children being referred but unable to be placed because of a lack of availability.

There is an opportunity now to develop and establish secure children's home (SCH) provision in London to bring additional capacity to the market, with funds provided by the Department for Education, but this requires a Pan-London approach.

It is proposed that a company, owned by London local authorities, should be established to oversee the build, and contribute to the development of the operating model for the new SCH provision, as well as the commissioning arrangements to run the service. The PLV will be a means to share the risks and benefits associated with developing and running the SCH, with a key benefit being that places at the new provision will be prioritised for the London local authorities who opt in to join the PLV.

In the long term, it is intended that the PLV's remit will include other key pan-London commissioning arrangements that will improve the lives of London's children and young people.

Wards: All Wards
Lead Member: Deputy Mayor and Cabinet Member for Education and Lifelong Learning (Statutory Deputy Mayor)
Corporate Priority: A council that works for you and listens to you



Report Summary:

Report seeking permission to extend the contracts for the provision of homecare services for adults.

Wards: All Wards

Lead Member: Cabinet Member for Health, Wellbeing and Social Care

Corporate Priority: Boost culture, business, jobs and leisure

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 Section 30, Rule 59 of the Constitution).



11. EXEMPT / CONFIDENTIAL REPORTS FOR CONSIDERATION

Nil items

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

Next Meeting of Cabinet:

Wednesday, 4 January 2023 at 5.30 p.m. in C1, 1st Floor, Town Hall, Mulberry Place, 5 Clove Crescent, London, E14 2BG



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: Janet Fasan, Director of Legal and Interim Monitoring Officer, Tel: 020 7364 4348.

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 5.43 P.M. ON WEDNESDAY, 30 NOVEMBER 2022

**C1, 1ST FLOOR, TOWN HALL, MULBERRY PLACE, 5 CLOVE CRESCENT,
LONDON, E14 2BG**

Members Present in Person:

Mayor Lutfur Rahman	
Councillor Maium Talukdar	(Deputy Mayor and Cabinet Member for Education, Youth and Lifelong Learning (Statutory Deputy Mayor))
Councillor Kabir Ahmed	(Cabinet Member for Regeneration, Inclusive Development and Housebuilding)
Councillor Ohid Ahmed	(Cabinet Member for Safer Communities)
Councillor Saied Ahmed	(Cabinet Member for Resources and the Cost of Living)
Councillor Suluk Ahmed	(Cabinet Member for Equalities and Social Inclusion)
Councillor Gulam Kibria Choudhury	(Cabinet Member for Health, Wellbeing and Social Care)
Councillor Abu Chowdhury	(Cabinet Member for Jobs, Skills and Growth)
Councillor Iqbal Hossain	(Cabinet Member for Culture and Recreation)

Other Councillors Present in Person:

Councillor Peter Golds
Councillor Musthak Ahmed

Other Councillors In Attendance Virtually:

Councillor Sirajul Islam

Officers Present in Person:

Kieran Andrieu	(Head of External Relations, Mayor's Office)
Kevin Bartle	(Interim Corporate Director, Resources & Section 151 Officer)
Michael Darby	(Head of Parking & Mobility Services)
Janet Fasan	(Director of Legal & Monitoring Officer)
Amy Jackson	(Head of Mayor's Office)
Denise Radley	(Corporate Director, Health, Adults & Community)
Ann Sutcliffe	(Corporate Director, Place)
James Thomas	(Corporate Director, Children and Culture)
Warwick Tomsett	Joint Director, Integrated Commissioning
Will Tuckley	(Chief Executive)
Kelly Duggan	HOS Youth Justice & Young People's Service • LBTH - Childrens Services
Matthew Mannion	(Head of Democratic Services)

Officers In Attendance Virtually:

Jane Abraham	(Head of Capital Delivery)
Afazul Hoque	(Head of Corporate Strategy & Policy)
Jennifer Peters	(Divisional Director, Planning and Building Control, Place)

1. APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of Councillor Kabir Hussain, Cabinet Member for Environment and the Climate Emergency.

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 26 October 2022 be approved and signed by the Chair as a correct record of proceedings.

4. ANNOUNCEMENTS (IF ANY) FROM THE MAYOR

The Mayor highlighted the 16 days of activism campaign, including White Ribbon Day, on eliminating violence against women and girls. He highlighted how important it was that women and girls felt safe at all times and that it was unacceptable that 1 in 3 women would suffer serious harassment in her lifetime.

5. OVERVIEW & SCRUTINY COMMITTEE**5.1 Chair's Advice of Key Issues or Questions**

A Pre-Decision Scrutiny Question and officer response were tabled in respect of Agenda Item 6.4 (Housing Revenue Account (HRA) 2022-25 – Capital Programme: Latest position. These were considered in relation to the relevant Agenda Item.

In addition, Councillor Musthak Ahmed, Chair of the Overview and Scrutiny Committee, provided an update on the recent activity of his Committee. In particular he highlighted the update the Committee had received on the Customer Services team and work on its upcoming transformation project. The Committee asked about a number of issues including challenging the volume of unanswered calls from residents.

He also provided brief updates from the Scrutiny Lead Members.

The Mayor thanked Councillor Musthak Ahmed for the update and the work of his Committee.

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

Nil items.

6. UNRESTRICTED REPORTS FOR CONSIDERATION

6.1 Reintroduction of four main parent Controlled Parking Zones

Councillor Saied Ahmed, Cabinet Member for Resources and the Cost of Living, introduced the report on reintroducing four Parent Parking Zones. He noted the equalities analysis set out in the report.

He also highlighted that this was an important Mayoral Manifesto Pledge.

The Mayor welcomed the report. He noted concerns expressed by Councillor Peter Golds on the potential impact on air quality and climate change but considered this was an important decision to help support local residents. There were other projects involved in looking at climate issues. Following discussion he **agreed** the recommendations as set out in the report.

RESOLVED

1. To amend the Terms and Conditions for Resident Permits so as to reintroduce the four Parent Zones (A,B,C,D) and allow permit holders to be able to park all day within their respective Parent Zone.
2. To note the Equalities Impact Assessment / specific equalities considerations as set out in Paragraph 5 of the report.

6.2 1 Hour Free Parking for Markets

Councillor Abu Chowdhury, Cabinet Member for Jobs, Skills and Growth, introduced the report on introducing one-hour free parking facilities close to markets within the borough. He highlighted the equalities analysis in the report.

Like the last report, this was also a manifesto commitment and it was intended to help support the borough's markets and market traders by encouraging increased accessibility to their businesses.

During discussion concerns raised by Councillor Sirajul Islam, Leader of the Opposition Labour Group, around use of the parking spaces by commuters were noted. However, significant support was heard from Members at the meeting and it was considered that an impact on residents was unlikely and that this would encourage the use of the borough's markets.

The Mayor, welcomed the report and agreed the recommendations as set out in the report.

RESOLVED

1. To introduce a one-hour free parking facility close to markets on market days in the 248 parking bays identified.
2. To approve the amendments and introduction of parking bays for the Whitechapel Road Market, as detailed in Paragraph 3.3 of the report, and for the necessary Traffic Management Order making process to be carried out, if the decision is to proceed with the introduction of one-hour free parking.
3. To note the specific equalities considerations as set out in Paragraph 4 of the report.

6.3 Recommendation for Direct Award of Learning Disability Supported Accommodation Contracts AHS5141, AHS5144 and AHS5142

Councillor Gulam Kibria Choudhury, Cabinet Member for Health, Wellbeing and Social Care, introduced the report requesting the direct award of Learning Disability Supported Accommodation Contracts. He highlighted the reasons for the direct awards were set up in the report but were linked to the fact that the organisations owned the buildings in which the services were provided.

During discussion it was confirmed that relevant inspection and quality assurance regimes were in place.

The Mayor welcomed the report and **agreed** the recommendations as set out in the report.

RESOLVED

- 1) To authorise the Corporate Director, Health, Adults and Community to award a contract without competition to Outward Housing for the provision of a supported accommodation building and support service. The service will be delivered from 3 schemes Albert Cottages, Fenton Street and Buxton Street in which adults with Learning Disability will live as well as receive support.

The contract will run for a period of 3 years plus 2 years extension with a maximum annual value of £441,941 for year 1 of the contract. For 3 years the contract value is in the region of £1,402,227 plus any London Living Wage and inflationary increases that are yet to be agreed.

These values may be amended in future years of the contract period to incorporate further inflationary changes. Any changes will be made in line with Corporate agreements and budget availability. The Mayor will be consulted on any changes.

- 2) To authorise the Corporate Director, Health, Adults and Community to award a contract without competition to Look Ahead Care and Support (LACS), for provision of a supported accommodation building and support service. The service will be delivered from Mary Jones Court from where adults with Learning Disability will live as well as receive support.

The contract will run for a period of 3 years plus 2 years extension with an annual value of £336,987 for year 1 of the contract. For 3 years the contract value is in the region of £1,069,258 plus any London Living Wage and inflationary increases yet to be agreed.

These values may be amended in future years of the contract period to incorporate further inflationary changes. Any changes will be made in line with Corporate agreements and budget availability. The Mayor will be consulted on any changes.

6.4 Housing Revenue Account (HRA) 2022 - 25 Capital Programme: Latest position

Councillor Kabir Ahmed, Cabinet Member for Regeneration, Inclusive Development and Housebuilding, introduced the report on the Housing Revenue Account Capital Programme. It set out the latest position including a number of proposed amendments and updates. An increase in the number of good-sized family homes was a key priority for the programme in future.

The Mayor welcomed the report and highlighted that tackling the severe overcrowding in the borough was a key priority for his administration. He thanked officers and the Lead Member for their work in updating the programme to reflect his priorities. He noted the Pre-Decision Scrutiny Question and officer response and **agreed** the recommendations as set out in the report.

RESOLVED

1. To approve the budget allocations for new schemes being added to the programme as substitutes for previously approved schemes which are being removed, subject to sign off through the capital governance process and agreement to proceed given by the Corporate Director, Place in consultation with the Mayor and the Corporate Director, Resources.
2. To approve the addition of Buckhurst Street, Smithy Street, Candy Street, housing on the St Georges Leisure Centre site, the purchase of 9 completed homes at Royal Mint Street, the conversion of Albert Jacob House to be funded by the removal of the Ashington House scheme and unallocated grant and s106, subject to sign off through the capital governance process and agreement to proceed given by the Corporate Director of Place in consultation with the Mayor and Corporate Director, Resources.

3. To approve the removal of the housing companies from the capital programme.
4. To approve the virement of £2.098m from the THH capital works budget of £90.200m for essential works at Watney Market car park
5. To approve delegated authority to the Corporate Director, Place, in consultation with the Mayor and the Corporate Director, Resources, to substitute schemes within the Approved HRA Capital Programme.
6. To note that schemes funded by future capital receipts (RTB receipts) and/or s106 contributions will not go ahead until such funds have been received by the Council.
7. To approve delegated authority to the Corporate Director of Place in consultation with the Mayor and the Corporate Director of Resources for all activities required to deliver the approved capital programme, for example but not exclusively, go out to tender, appoint consultants and contractors in accordance with the Procurement Procedures, acquire land interests, appropriate land from the General Fund to the Housing Revenue Account (HRA) for the delivery of new council homes and other rights of appropriation, subject to approved budget.
8. To note the Equalities Impact Assessment and specific equalities considerations as set out in Section 4 of the report.

6.5 Approval of the action plan arising from the Housing and Regeneration Scrutiny Sub-committee's Fire Safety Review Report (September 2021)

Councillor Kabir Ahmed, Cabinet Member for Regeneration, Inclusive Development and Housebuilding, introduced the report on the action plan following the Housing and Regeneration Scrutiny Sub-Committee's review of fire safety. He noted the improved funding recently released by government to help support this issue and the plans to help ensure problems were fixed. As well as supporting tenants and leaseholders of Council property, the Council was also providing useful information for private tenants as well.

During discussion it was noted that the Council was already undertaking a lot of the work set out, and with increased government support as well, the future looked positive in tackling this issue.

The Mayor welcomed the report, he thanked the Scrutiny Sub-Committee for their work and then **agreed** the recommendations as set out in the report.

RESOLVED

1. To note the report arising from the H&RSSC's review of fire safety in the borough; and
2. To approve the actions arising from the recommendations made in the HRSSC's review of fire safety in the borough.

6.6 Seahorse Homes Limited and Mulberry Housing Society Limited

Will Tuckley, Chief Executive, introduced the report. He highlighted that these bodies had been established when there was a government imposed cap on Housing Revenue Account borrowing. That cap had now been lifted and so these were no longer the most appropriate methods for delivering housing and so it was appropriate to dissolve them at this point.

The Mayor noted the contents of the report and **agreed** the recommendations as set out in the report.

RESOLVED

1. To approve the dissolution of Seahorse Homes Limited.
2. To note the dissolution of Mulberry Housing Society Limited.
3. To approve the write off of the unrecovered sum of £26.4K for Seahorse Homes Limited.
4. To approve the write off of the unrecovered sum of £7.4K for Mulberry Housing Society Limited.

6.7 Youth Justice Board Annual Report

Councillor Maium Talukdar, Statutory Deputy Mayor and Cabinet Member for Education, Youth and Lifelong Learning, introduced the report setting out the Youth Justice Annual Plan.

He noted that the Plan set out the priorities for the Council and its partners and includes action on seven recommendations for improvement.

The Mayor welcomed the clear pathway to improvement following the recent inspection as supporting these young people was extremely important. He **agreed** the recommendation as set out in the report.

RESOLVED

1. To note the Youth Justice Annual Plan.

6.8 George Green Change of Designation from Complex Needs to Autistic Spectrum Condition - Formal Decision following statutory notice.

Councillor Maium Talukdar, Statutory Deputy Mayor and Cabinet Member for Education, Youth and Lifelong Learning, introduced the report proposing the approval of redesignating the Resource Base Provision at George Green's School from complex needs/physical disabilities to Autistic Spectrum Condition.

He highlighted the report included details on the consultation and noted that this was a positive development to support a growing need in the borough.

The Mayor welcomed the report as very good news and **agreed** the recommendations as set out in the report.

RESOLVED

1. To approve the proposal to agree the prescribed alterations to George Green's School, namely the redesignation of the Resource Base Provision from complex needs/physical disabilities to Autistic Spectrum Condition (ASC). as set out in the Statutory Notice at Appendix 2 to the report.
2. To note the Equalities Impact Assessment set out in Section 4 of the report and attached as Appendix 3 to the report.

6.9 Report on outcome of the preliminary stakeholder consultation (pre-statutory) on the proposal for the amalgamation of The Bishop Challoner RC Federation Girls' and Boys' Schools

Councillor Maium Talukdar, Statutory Deputy Mayor and Cabinet Member for Education, Youth and Lifelong Learning, introduced the report requesting agreement to publish a statutory notice proposing the amalgamation of Bishop Challoner Catholic Girls' and Boy's Schools. The details of the first stage consultation were set out in the report and positive feedback had been received. The proposed change would make the school more sustainable for the future.

During discussion officers were asked to ensure that the consultation effectively reached all parts of the community.

The Mayor welcomed the report and **agreed** the recommendations as set out in the report.

RESOLVED

1. To agree for the publication of a statutory notice for 28 days, in respect of the proposal to amalgamate Bishop Challoner Catholic Girls' and Boys' Schools to form a Co-educational Catholic School for 11-18 year olds. This would take effect from 1st September 2023.
2. To note the findings from the Equalities Assessment.

6.10 Record of Corporate Directors Actions 2022/23 Q2

The Mayor noted the records of Corporate Director Actions set out in the report and **agreed** the recommendation as set out in the report.

RESOLVED

1. To note the Record of Corporate Directors' Actions set out in Appendix 1 to the report.

7. ANY OTHER UNRESTRICTED BUSINESS CONSIDERED TO BE URGENT

Nil items.

8. EXCLUSION OF THE PRESS AND PUBLIC

The Exempt/Confidential Minutes of the previous meeting were agreed during the unrestricted part of the meeting. There was therefore no need to pass a resolution to exclude the press and public.

9. EXEMPT / CONFIDENTIAL MINUTES**RESOLVED**

1. That the exempt/confidential minutes of the Cabinet meeting held on Wednesday 26th October 2022 be approved and signed by the Chair as a correct record of proceedings.

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. EXEMPT / CONFIDENTIAL REPORTS FOR CONSIDERATION

Nil items.


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

Nil items.

The meeting ended at 6.36 p.m.

Chair, Mayor Lutfur Rahman
Cabinet

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Cabinet 14 December 2022	
Report of: Will Tuckley, Chief Executive	Classification: Unrestricted
Q1/Q2 Strategic delivery and performance report	

Lead Member	Executive Mayor
Originating Officer(s)	Stephen Bramah, Corporate Head of Strategy and Improvement Joseph Leach, Data Analytics, Business Intelligence, and Performance Lead
Wards affected	All wards
Key Decision?	N/A
Forward Plan Notice Published	N/A
Reason for Key Decision	N/A
Strategic Plan Priority / Outcome	All

Executive Summary

This report provides the Mayor in Cabinet with an update on the delivery and implementation of the council's Strategic Plan covering the period Quarter 1 and Quarter 2 (April 2022 – end September 2022).

On a quarterly basis we report on performance measures to Cabinet. This report covers 2 quarters as Q1 reporting coincided with a new administration and Strategic Plan being adopted.

At a six month and annual basis we report on progress on milestones to deliver the Strategic Plan. This report provides the six-monthly update.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Note the summary status as set out at the beginning of the attached monitoring report;
2. Review the performance of the strategic measures in Q1/Q2, including

those measures which are red or amber (and in these cases performance commentary has been provided); and

3. Review progress in delivering Strategic Plan activities at the mid-year point, including those activities that are flagged as delayed and overdue.

1 REASONS FOR THE DECISIONS

- 1.1 The council's reporting cycle involves quarterly reports that include performance measures.
- 1.2 Target levels on the performance measures that relate to the strategic plan are set considering:
 - Alignment to an external target, such as a statutory, national or Mayoral target;
 - An aim to improve on our benchmark performance position within the appropriate benchmark family group or maintain a high level of performance for measures where we are among top performing councils;
 - Management information and evidence, especially for new measures where targets have previously not been set;
 - Operational practicalities.
- 1.3 Targets for all measures are set against the operating realities of the service – for example service changes, funding changes, changes in legislation or in local or national policy. These changes may result in the need to re-baseline the targets from one year to the next to reflect the changing circumstances in which the service operates.

2 ALTERNATIVE OPTIONS

- 2.1 The Mayor/Cabinet can decide not to review the performance information. This is not recommended as Members have a key role to review and challenge underperformance and utilise performance information to inform resource allocation.

3 DETAILS OF THE REPORT

- 3.1 The Strategic Plan is the council's main business plan and embeds the priorities of the administration into council delivery. It is a high-level summary of the priorities the Mayor considers important to ensure continuous improvement of the council. This report provides the Mayor in Cabinet with an update on the delivery and implementation of the council's Strategic Plan.

The Council's Strategic Plan Priorities are:

1. Tackling the cost-of-living crisis
2. Providing homes for the future
3. Accelerating education
4. Boosting culture, business, jobs, and leisure
5. Investing in public services
6. Empowering communities and fighting crime
7. Working towards a clean and green future
8. A council that listens and works for everyone

- 3.2 The Strategic Plan was adopted on 1st August and incorporates the ambitious pledges in the Mayor's manifesto. The period of Q1/Q2 covers a period from April to the end of September. The new Strategic Plan contains new priorities, measures and milestones developed from adoption. In some cases, there might be gaps in information i.e. the Annual Resident Survey is planned for spring 2023.
- 3.3 New commitments may require growth bids and key decisions to implement as part of the new adopted Strategic Plan. The Mayor has implemented some key activities from the new plan already including a Cost-of-Living support package, bringing Leisure services inhouse, and launching the consultation with residents on the future of housing management services.
- 3.4 The council is committed to improving the borough through the implementation of the Strategic Plan. Our performance reporting considers improving outcomes in the borough as well as our outputs as a council.
- 3.5 This report promotes openness, transparency, and accountability by enabling Tower Hamlets residents to track progress of activities that impact on their lives and the communities they live in.

Performance Summary

- 3.6 The plan on a page (see Appendix) summarises the number of activities and measures, which are rated green (on target), amber (slipped or delayed), or red (off target). At the end of Q2 for the **measures**:
- 17 performance indicators are exceeding their target
 - 9 are exceeding the minimum expectation
 - 2 are falling short of the target
 - 14 have no data currently
 - 7 have no target
- 3.7 There are currently a high number of measures where we do not have data or a target as we have adopted a new Strategic Plan and reporting framework.

Update on Strategic Activities

Tackling the cost-of-living crisis

- 3.8 In Tower Hamlets, great wealth and unacceptable poverty sit side by side. The cost-of-living crisis has left many residents struggling to make ends meet and the Strategic Plan sets out ambitious plans to support residents.
- 3.9 The Mayor launched a Cost-of-Living campaign in July to support residents including a package of measures worth £2.7m. This supports residents by providing one-off grants of £100 to low-income households, including £100 per Free School Meal-eligible child. The Mayor's £1m emergency Energy Fund has also been launched providing grants of up to £300 to the borough's most vulnerable residents.
- 3.10 £1m of vouchers to Free School Meal children were distributed over the summer and a £1.8m Holiday Activities and Food programme delivered. 51,064 children attended the Holiday Food Programme during the 2022 summer holidays. 7 food pantries have been introduced across the borough as well as food being provided to local food banks through the Tower Hamlets Food Hub. The council continues to fund universal primary Free School Meals.
- 3.11 A £600k Resident Support Scheme has provided crisis grants to those in need and the council is one of the few councils in the country that offers school uniform grants. The council also invests £1m per year of funding to the voluntary sector to provide welfare and benefits advice.
- 3.12 The council continues to offer a 100% council tax reduction scheme and the Mayor has committed to freezing council tax for four years.

Providing homes for the future

- 3.13 Tackling the housing crisis is a key priority for the Mayor.
- 3.14 The Mayor is committed to deliver 1,000 social homes per annum. 1,312 net additions to the housing stock have been progressed so far this year. 818 affordable homes have been consented via the planning system for future delivery and 394 affordable homes have been delivered.
- 3.15 Information, advice, and guidance is being provided for leaseholders affected by cladding, highlighting cases where developers have been taken to court and where residents can now take out remediation orders.
- 3.16 Work took place to launch the consultation with residents on the future of housing management services, including Tower Hamlets Homes.

Accelerating education

- 3.17 Tower Hamlets is an exciting place to grow up, full of opportunities to learn and play. Our schools are overwhelmingly good and outstanding. The council will make sure that children get the right learning and financial support, so they can stay in education and do well.
- 3.18 In this period 3,263 young people contacted and registered with the council's and council commissioned youth centres. 3,766 young people regularly attended our youth services. 2,344 young people engaged with the council's youth centres, achieving a recorded outcome. 729 young people engaged with the council's and council commissioned youth centres in achieving an accredited outcome.
- 3.19 Work took place in this period to ensure that the Mayor's Education Maintenance Allowance (EMA) could be reintroduced. This has since launched offering £400 payment to eligible students to support them with their studies for the 2022/23 academic year. A funding package of £500k was announced for the first year of EMA which will support 1,250 students.
- 3.20 Scoping work also took place to reintroduce the Mayor's University Bursary Award to support eligible students with living costs at university. This has since been launched with eligible students able to apply for a £1,500 payment to support with costs associated with their undergraduate studies, including accommodation, books and resources. The total funding of £600k will support 400 students in the first year.

Boosting culture, business, jobs, and leisure

- 3.21 Tower Hamlets has a wealth of arts and sporting opportunities. Our local businesses and markets are the lifeblood of the community and should prosper alongside the international business hubs at Canary Wharf, Whitechapel and the City Fringe. At a time of economic uncertainty and rising costs, every resident should be able to access the opportunities on their doorstep.
- 3.22 To support our local economy almost 850 businesses have received up to an extra £2,519 business rates rebate as part of the Mayor's Covid Additional Relief Fund and a commitment to support businesses still dealing with the on-going impact of the Covid-19 pandemic.
- 3.23 More than 22,000 residents and visitors flocked to parks, youth, and children's centres to enjoy numerous activities and festivals hosted by the council and partner organisations during this year's summer of fun programme. This included the 'In the Neighbourhood' Community Festival delivered as part of the All Points East Festival.

Investing in public services.

- 3.24 Excellent public services are vital to improving our health, wellbeing, achievement and quality of life.

- 3.25 As part of his commitment to excellent public services the Mayor made the decision in August to bring the council's leisure contract back in house while investing £35m in the service and has committed to deliver a new swimming pool at St Georges. The consultation on the future of Tower Hamlets Homes has been launched.
- 3.26 Over 4,000 residents have accessed the Residents Hub service since it was launched and this will continue be developed including as we move to the new Town Hall at Whitechapel.

Empowering communities and fighting crime

- 3.27 Our borough's strength lies in its diversity and the different communities and cultures living side by side.
- 3.28 The council is investing in a CCTV upgrade. The number of upgraded CCTV cameras operational stands at 85 at the end Q2.
- 3.29 The number of hours of uniformed patrols through the Safer Communities Team and Police Partnership Task Force stands at 4,726 hours.
- 3.30 The council has worked with the Met Police to help them recruit a workforce that reflects our community.

Working towards a clean and green future

- 3.31 Tower Hamlets is a place where people want to live and work. It is also the most densely populated area in the country. Residents, workers and visitors need a clean local area, with clean air, green spaces to enjoy, and different options for getting around.
- 3.32 The council now has 13 parks with Green Flag status since Bartlett Park was recently awarded this. The number of children engaged in school cycle schemes so far this year is 812.

A council that listens and works for everyone

- 3.33 Residents and businesses deserve an effective and transparent council that delivers modern, effective and efficient services, consults on proposals, and whose workforce reflects the diversity of the borough.
- 3.34 In line with this aim the Mayor has launched public consultations on re-opening roads in the borough.
- 3.35 The Mayor is committed to a workforce that reflects the community. The top 5% of earners who are Black, Asian and multi ethnic is currently 31.54%, 3.46% below target but up slightly from Q4 of 2021-22. In March 2021, Tower Hamlets had the third highest percentage of top 5% earners who are Black, Asian or Multi Ethnic across all London boroughs.

3.36 Work is underway for 2022/23 to address Black, Asian and multi ethnic representation at the senior level through the Council's Equality Diversity and Inclusion Action Plan, including through work to address the council's pay gaps, talent management, leadership and development, coaching and mentoring.

Targets for performance indicators

3.37 Some performance indicators are targeted, i.e. they are measured in a methodical, reliable way that can be used to make improvements, and detect issues and others are contextual.

3.38 Performance indicators are targeted by setting a minimum level (such as a baseline) and a target level.

3.39 The council uses a traffic light system to monitor indicators:

- Red (performance measure does not meet minimum expectation);
- Amber (performance measure is between minimum and target levels);
- Green (performance measure is meeting or exceeding target levels)

3.40 Where the council measures performance over more than one reporting cycle, e.g. a year, the minimum level is often the value of the performance measure taken from the previous cycle, and the target level is set at the start of the new cycle.

3.41 In some cases the target level is affected by issues other than prior performance, this includes cases where:

- The performance measure is already performing highly or at the maximum possible;
- Changes in legislation or funding result in the need to revise the target to reflect the changing circumstances in which the service operates;
- The target needs to be aligned with an external target, such as a national or partnership target.

3.42 Finally, in some cases target levels cannot be set by the council, for example when the council is monitoring performance measures from a service that it does not provide alone, such as the number of new homes built.

4 EQUALITIES IMPLICATIONS

4.1 Our borough's strength lies in its diversity and the different communities and cultures living side by side. We want Tower Hamlets to be safe, welcoming and a place of opportunity for all. In everything we do – from the money we spend, the people we employ, to the services we provide – we will consider how our decisions affect people with different protected characteristics. We will always make sure that we meet our Equality Act duty.

4.2 The Strategic Plan contains commitments to address inequality, work with communities across the borough to bring people together from different

backgrounds and promote understanding, uphold, and protect equality and diversity in all circumstances and ensure our workforce reflects the community

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 (BV) Implications

5.2 Section 3 of the Local Government Act 1999 requires the council as a best value authority 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”. Monitoring of performance information and acting on the findings is an important way in which that obligation is being fulfilled.

Sustainable action for a greener environment

5.3 Strategic Plan Priority 7 of the Strategic Plan (2022 – 2026) – A clean and green future is dedicated to taking sustainable action for a cleaner environment. Performance indicators focus on key areas of sustainability, including air quality, waste and carbon emission.

Risk management implications

5.4 In line with the council’s risk management strategy, the information contained within the strategic indicator monitoring assist the delivery of targets set out in the Strategic Plan (2022 – 2026). Regular monitoring reports keep progress under regular review.

Crime and disorder reduction implications

5.5 Strategic Plan (2022 – 2026) Priority 6 – Empower communities and fight crime is dedicated to crime and disorder reductions. Indicators under these outcomes relate to the perception of safety and community cohesion.

Safeguarding implications

- 5.6 Strategic Plan (2022 – 2026) Priority 5 – Invest in public services is dedicated to keeping children and young people safe from harm. Indicators under this outcome relate to safeguarding children and protection.

6 COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 This report sets out the delivery, performance and improvement position for the Strategic Plan 2022-2026 at the end of quarter 2.
- 6.2 8.2 The cost of the activities has been funded through the Council's General Fund Revenue and Capital budgets. Any additional growth will be considered through the MTFS process and growth bids.

7 COMMENTS OF LEGAL SERVICES

- 7.1 The report provides performance information. It is consistent with good administration for the council to consider monitoring information in relation to plans that it has adopted in order to achieve best value.
- 7.2 When considering its performance, the council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not (the public sector equality duty). The council's targets are formulated by reference to its public sector equality duty and monitoring performance against those targets should help to ensure they are delivered.

Linked Reports, Appendices and Background Documents

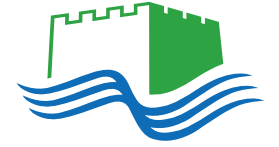
Appendix:

- Strategic delivery and performance report, Year One Delivery Plan 2022-23 Q2 review

Officer contact details for documents:

Joseph Leach, Data analytics, business intelligence, and performance lead
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TOWER HAMLETS

Strategic delivery and performance report

Year One Delivery Plan
2022-23

Q2 review

Page 31



Across the strategic plan, the current status of performance measures is shown with Red, Amber, and Green status to help us support services as they work to meet their aims.

Some measures don't have data yet, and some don't have targets yet, for example where measures are very newly started or seasonal.

RAG Status	Q2
Red	2
Amber	9
Green	17
No data currently	16
Data only (no target)	7

This report highlights the Council's performance in the period April to September 2022.

It covers a period of transition. In May, I was elected on an ambitious manifesto to fix Tower Hamlets. Following this, in August, the Council adopted the Strategic Plan contained in these pages, outlining how we will deliver for residents over the next 4 years. While we have hit the ground running, there is a lot more to do.

Our Strategic Plan sets a fresh direction to invest in services and drive up our overall performance as a Council.

My new administration is determined to create a Tower Hamlets for everyone, where people of all backgrounds can be heard and supported.

I am committed to ensuring we deliver high quality services that enable our residents to fulfil their potential, under the 8 key priority areas set out in my manifesto and embedded in the Council's Strategic Plan.

We have achieved a lot in just a few months, and there is much more to come, including:

- We introduced a £2.7m cost-of-living package to help our most vulnerable residents, and a £1m Mayor's Energy Fund.
- We are taking bold action to address our housing crisis and overcrowding, and deliver a minimum of 1,000 social homes for rent per year.
- We are accelerating education for our children and young people. Having already reinstated the

Education Maintenance Allowance (EMA) and University Bursary Award, we will work to extend universal Free School Meals from primary to secondary schools in our borough. This is about supporting our young people so that money is never a barrier to education.

- I am bringing leisure services back in-house and investing £35m to improve them, helping our residents stay active as well as physically and mentally healthy.
- We are consulting on the option of bringing Tower Hamlets Homes in house and on reopening our roads.
- We're investing in our CCTV network and carrying out safety surgeries and walkabouts to support our community to feel safer.

- I have declared a 'Waste Emergency' to drive up our performance on street cleanliness, waste, and recycling.
- Through our resident hubs we will be a more accessible Council, here to serve our community.

I am proud to be an ambitious Mayor with an ambitious plan to improve our Council and rebuild our borough. Nothing is too good for the people of Tower Hamlets as far as I'm concerned.



Lutfur Rahman
Executive Mayor



Priority 1

Tackling the cost of living

Page 34



Our ambition:
No child will go hungry and no pensioner will go cold for the next four years.

Page 35

What we have delivered

The Mayor agreed an initial package of measures in July worth **£2.7 million** as the first element in a package of cost of relief measures. The package includes payments to families with children eligible for free school meals, other households at risk of poverty, residents receiving pension credit, and parents with young children in receipt of Healthy Start vouchers.

The impact of a freeze in council tax was modelled within the medium term financial strategy report, in support of the strategic plan objective of freezing Council Tax for four years.

Government funding schemes to tackle homelessness are being reviewed. While these are under review work continues to prevent homelessness upstream and preparatory analysis has begun to support a refresh of the council's Homelessness and Rough Sleeping Strategy, to begin in late 2022.

The council has continued to provide 100% council tax rebate for residents in need, making up the shortfall in government funding for council tax reduction.

A holiday food programme to feed children entitled to free school meals was delivered during the summer holidays, and we have ongoing provision of free school meals for all in primary schools.

What difference have we made?

The service continues to work hard to reduce the number of those experiencing homelessness by supporting people into sustainable accommodation. So far, **60** people have been placed in social lets and **37** people in the private rental sector. Our target is to support 320 people out of homelessness by March 2023.

Our Performance

We are working towards our target of preventing 50% rate of new cases of homelessness being prevented via the Housing Options Service, despite the challenges presented by rising rents across London.

We aim to support several hundred people out of homelessness by March 2023 (the target figure is not currently set). So far, **60** people have been placed in social rented homes and **37** in privately rented homes.

A holiday food programme successfully delivered **51,064** meals for children entitled to government free school meals during the summer.

We continue to target an ambitious rate of new cases of homelessness being prevented via the Housing Options Service. Achieving a target level of approaching 50% is however challenging in the context of rising rent levels in London, making it difficult to source affordable accommodation due to supply constraints, and to keep up rent payments for households impacted by the cost-of-living crisis.



ActivityID	Measure	2021-2022 Outturn	2022-2023 Target	Q1 Outturn	Q1 Target	Q1 RAG	Q2 Outturn	Q2 Target	Q2 RAG
1.01	Number of EMAs awarded.	No data	1250	No data	No data	No data currently	No data	No data	No data currently
1.02	Number of university bursaries awarded.	No data	400	No data	No data	No data currently	No data	No data	No data currently
1.03	Percentage of homelessness cases prevented or relieved	46%	50%	No data	50%	No data currently	No data	50%	No data currently
1.03	Number of homeless supported into sustainable accommodation	470	470	87	117	Green	141	235	Amber
1.04	Number of attendances to holiday activities and food programme during school holidays	57799	70000	13934	13000	Green	64998	58000	Green
1.05	Tonnes of food provided to food aid organisations	1825	600	175	150	Green	295	300	Amber

ActivityID	Measure	Q2 RAG	Performance Commentary
1.03	Number of homeless supported into sustainable accommodation	Amber	In Q1 and Q2, 141 households were supported into sustainable accommodation below the target agreed. The end of year target of 470 homeless households supported into suitable affordable homes will be challenging to achieve in 2022/23. The figure was achieved last year when conditions in the economy were more favourable. The current economic climate particularly as it affects the housing sector is impacting on performance. The existing target is composed of Private Rented Sector lets and social housing lets to discharge the statutory homelessness duty. The volume of Private Rented Sector lets which had been as high as 238 lets in 2021/2022 are now on course to only result in 90 lets in 2022/23, due to a sudden shrinkage of the LHA Private Rented Sector rental market in 2022, notwithstanding measures being put in place to increase procurement levels e.g. enhanced landlord incentive package. It is not anticipated that there will be a compensating increase on social lets to offset the decline in PRS lets, since social lets are governed by a range of factors pertinent to the allocations policy, e.g. waiting time, supply of permanent homes to let from partner landlords
	Tonnes of food provided to food aid organisations	Amber	300 tonnes of food provided to aid organisations in the first six months. The provision is slightly under the target agreed as provision is seasonal and summer is our quietest period, with amounts expected to increase through winter to meet the end of year cumulative target of 600 tonnes. Target is lower than the baseline figure as the budget has reduced significantly, and amount of food distributed is directly related to funding available.

Priority 2

Homes for the future

Page 38



Our ambition:
Everyone in Tower Hamlets lives in a good quality home that they can afford.

Page 39

What we have delivered

Delivery of affordable homes remains a key area of focus and good progress has been made. In addition to building more homes, tackling overcrowding continues to be a key priority and a review is currently under way to consider what provisions are currently in place and what more can be done to reduce overcrowding for residents. This includes building more, managing existing stock and demand.

Contributing to this mix of measures, the car parking permit transfer scheme is currently under review as a means of reducing under occupancy and supporting residents to move to appropriate accommodation. The council is also exploring how to bring empty properties back into use.

A homelessness and rough sleeping strategy steering group is in the process of being established in order to refresh the council's current approach and steer delivery, working across the council and in partnership with external providers to go further in tackling homelessness and rough sleeping.

The council began preparations to consult residents on the future

of Housing Management services provided by Tower Hamlets Homes and continues to work with the Tower Hamlets Housing Forum and the Private Renters Forum regarding housing conditions across social and private housing.

Driving up standards in the private rented sector is a key priority. Resident consultation is being prepared to feed into improvement of the Landlord registration scheme and housing enforcement with the ability to hold landlords to account. A baseline is being developed in order to assess implementation in the future. The forthcoming Adult Social Care Reform bill will influence the strategy for adapting homes for residents with physical disabilities. Occupational Therapists are currently providing input to review work underway.

What difference have we made?

Information, advice, and guidance is being provided for leaseholders affected by cladding issue; highlighting cases where developers have been taken to court, and showing where residents can now take out remediation orders.

Our Performance

- **1,312** net additions to the housing stock have been progressed so far this year.
- **818** affordable homes have been agreed via the planning system for future delivery.
- **394** affordable homes have been delivered.



ActivityID	Measure	2021-2022 Outturn	2022-2023 Target	Q1 Outturn	Q1 Target	Q1 RAG	Q2 Outturn	Q2 Target	Q2 RAG
2.01	Net additions to the housing stock	3823	3473	904	No target	Data only	498	No target	Data only
2.01	Number of affordable homes consented	465	700	384	No target	Data only	50	No target	Data only
2.01	Number of affordable delivered (by habitable room)	911	1000	305	No target	Data only	89	No target	Data only
2.07	Lets to overcrowded households	51%	52%	54.5%	52%	Green	60%	52%	Green
2.07	Number of licenced premises intervention	12400	14000	2138	3500	Amber	4163	3500	Green

Measures for Priority 2 have a performance status of green

Priority 3

Accelerate Education

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Our ambition:
Every child achieves their best in education.

What we have delivered

Options for delivering a new youth service model and investment have been developed and reviewed. This work will continue to be advanced in Q3.

A review of nursery and day care provision was completed in September. This work will inform the delivery of the policy of ensuring there is sufficient high quality provision for young children and their families. A major campaign was launched to promote lifelong learning as the new academic year began. The programme emphasises courses which can help residents returning to work and enhancing their prospects.

What difference have we made?

As the Autumn school census progresses, the council is measuring the number of primary and secondary school pupils receiving free school meals as part of the work to support young people as they progress their education.

Our Performance

Schools in Tower Hamlets are performing well, with **96%** judged Good or Outstanding, above London and national benchmarks.

High levels of engagement with youth policies:

- **3,766** young people regularly attended Council and Council-commissioned youth services.
- **2,344** young people engaged with the Council's and Council-commissioned youth centres, achieving a recorded outcome.
- **729** young people engaged with the Council's and Council-commissioned youth centres in achieving an accredited outcome.

The percentage of education, health and care (EHC) assessments completed within 20 weeks has been above or close to target during Q1 and Q2.

The percentage of Idea Store learners who pass a Skills for Life course was **1%** under target in Q1. Since this data is collected termly, no Q2 data is yet available.

The number of children supported by the Early Help Children and Family Service exceeded target levels so far this year.

The percentage of contacts into MASH that are reviewed and progressed

within target timescales has exceeded target levels so far this year.

Performance data relating to new cases of youth offending and re-offending for the first half of the year will be available in Q3.

The percentage of care leavers aged 17-25 who are in education, employment or training (EET) exceeded target levels in Q2.



ActivityID	Measure	2021-2022 Outturn	2022-2023 Target	Q1 Outturn	Q1 Target	Q1 RAG	Q2 Outturn	Q2 Target	Q2 RAG
3.06	Number of young people who contacted and registered with the Council's and Council commissioned youth centres	5058	3690	1913	738	Green	3218	1476	Green
3.06	Number of users who regularly attend the Council's and Council commissioned youth services	2568	3336	974	667	Green	1665	1334	Green
3.06	Number of young people engaged with the Council's and Council commissioned youth centres who achieve a recorded outcome	968	1600	411	320	Green	1010	640	Green
3.06	Number of young people engaged with the Council's and Council commissioned youth centres who achieve an accredited outcome	313	490	114	98	Green	386	196	Green
3.17	% of education, health and care (EHC) assessments completed within 20 weeks	29%	53%	30.1%	30.0%	Green	35.4%	36.0%	Amber
3.19	Percentage of Idea Store learners who pass a Skills for Life course	94%	95%	94%	95%	Amber	0%	0%	Green
3.20	Number of children supported by the Early Help Children and Family Service	14995	17000	7928	5000	Green	12588	11000	Green
3.21	% of contacts into MASH that are reviewed and progressed within timescales	94%	95%	98.6%	95.0%	Green	97.8%	95.0%	Green
3.22	% of Care Leavers aged 17-25 who are in education, employment or training (EET)	No data	65%	58.8%	65%	Amber	66.5%	65%	Green

ActivityID	Measure	Q2 RAG	Performance Commentary
3.17	% of education, health and care (EHC) assessments completed within 20 weeks	Amber	<p>The Q2 year-to-date performance for this measure is slightly below target and this is largely due to the high rate of delayed plans being cleared, which is impacting upon overall timeliness of performance. It is noted however that the quarter's (jul-sep) performance is higher at 42%.</p> <p>The service continues to clear the delayed plans and monitor the performance of new assessments to ensure that timeliness continues to improve. Weekly meetings look at timeliness data for assessments and the receipt of advices.</p> <p>The measure is expected to be on target the next reporting quarter.</p>

Priority 4

Boost culture,
business, jobs
and leisure

Page 46



Our ambition:
Residents from all backgrounds benefit from thriving sports, the arts, and local business.

Page 47

What we have delivered

The offer of female-only sports sessions has been increased to promote female sports sessions and encourage more women to participate in sports activities

An audit scope and needs analysis has been agreed to develop the council's awareness of groups relying on parks and other Council facilities to play sport.

A Cabinet decision was made on 1 August regarding the future of St. Georges Leisure Centre, to rebuild the centre on the same site including social housing units.

A programme of training modules for new and existing market traders has been delivered to help protect and support markets across the borough. Locations and bays in proximity to markets that are suitable for 1 hour free parking have been mapped.

A review of current levels of 'job enablement' via developments in the borough was delivered. This suggests around **72** jobs per calendar month are 'enabled' under current provision. We have engaged local

business regarding the formation of apprenticeships.

Options have been developed for a local approach to Community Wealth Building including an assessment of requirements (e.g. Community Land Trust). Agreement and resources have been secured for a council officer focused on Community Wealth Building.

What difference have we made?

We have met our target and delivered **57** arts events so far this year including the In the Neighbourhood community festival as part of All Points East.

Our Performance

1,809 new jobs, training and apprenticeship opportunities designed for local people have been created.

616 enterprises have been supported through the council's business programmes.



ActivityID	Measure	2021-2022 Outturn	2022-2023 Target	Q1 Outturn	Q1 Target	Q1 RAG	Q2 Outturn	Q2 Target	Q2 RAG
4.01	Number of arts events delivered	107	158	40	40	Green	17	17	Green
4.03	% of leisure centre member base that are female.	47%	51%	46.8%	51.0%	Red	47.1%	51.0%	Amber
4.12	The number of new jobs, training and apprenticeship opportunities enabled for local people	2105	649	526	Green	1160	1053	Green	
4.16	Enterprises supported through the council's business programmes	1161	650	0	162	Red	454	325	Green

ActivityID	Measure	Q2 RAG	Performance Commentary
4.03	% of leisure centre member base that are female.	Amber	Performance is slightly below target. The leisure centres are still recovering from the impact of the Covid-19 pandemic on participation performance, and they have not fully recovered as yet. Participation is also being investigated in line with the cost-of-living crisis and the impact of discretionary spend on leisure centre attendance.

Priority 5

Invest in public
services

Page 50



Our ambition:
Residents have access to high quality council-run public services, including idea stores and libraries, public health, social care, and waste and recycling services.

Page 51

What we have delivered

Data collection and assessment of performance of a pilot resident's hub has begun. This will support work to add further hubs providing face-to-face council and partner services for residents, so that those who struggle with access to IT have the access and support they need. We have created a Covid-ready Health Protection Hub with staff and systems in place to react to emerging threats and protect our residents. We have put in place PPE and infection testing contingency plans in place in case of surges in cases or infectious illnesses.

All of Tower Hamlets' directly commissioned homecare providers pay a living wage, with council homecare providers being contracted to do so. We also provide our 'Proud to care' rewards scheme for local care workers.

We have created a loneliness small grants programme, and we have begun delivering a **£65,000** programme of funding, with four funding rounds this year. So far, almost **£35,000** has been allocated.

Providing early support for children and adults at risk of poor mental

health and loneliness has seen us recruit community reporters and local participation resulting in three community concepts to reduce loneliness, try something new, and raise confidence and self-esteem.

13 community pharmacies in the borough are now offering covid and flu vaccinations. Beaumont House vaccination centre opened in October.

What difference have we made?

Permanent admissions to residential and nursing care for those aged 65+ are not currently in line with the council's target for reducing avoidable admissions.

Our Performance

The percentage of service users surveyed who agree with the statement "Overall I have a positive experience of the services I am receiving from the homecare agency" is meeting current performance targets, with **92%** responding positively at the end of Q2. Ofsted carried out a focused visit to the council's children's services in July. Inspectors looked at the council's support for children in care. Findings from the visit were very positive: inspectors noted that the vast majority of children in care in Tower Hamlets are

living in placements that are meeting their individual needs well and helping to improve their experiences and progress.

Over **4,000** residents have received services or support from the Resident Hub so far this year.



ActivityID	Measure	2021-2022 Outturn	2022-2023 Target	Q1 Outturn	Q1 Target	Q1 RAG	Q2 Outturn	Q2 Target	Q2 RAG
5.07	Permanent admissions to residential and nursing care 65+ per 100,000	372.1	N/A	174.6	No target	Data only	261.8	No target	Data only
5.07	% of people who are signposted to find appropriate advice & support in the wider community that helps them to maintain their independence	69%	59%	66%	59%	Green	67%	59%	Green
5.07	Overall satisfaction with care and support services received	86%	84%	No data	No target	No data currently	No data	No target	No data currently
5.07	% service users surveyed who agree with the statement "Overall I have a positive experience of the services I am receiving from the homecare agency"	97%	70%	86%	70%	Green	92%	70%	Green
5.10	Number of smoking cessation 4 week quits	1264	1200	233	300	Amber	No data	No target	No data currently
5.10	Number of smoking cessation 4 week quits (BAME)	595	400	107	100	Green	No data	No target	No data currently

Measures for Priority 5 have a performance status of green

Priority 6

Empower

Communities and

Fight Crime

Page 54



Our ambition:
Residents, workers and visitors of all backgrounds feel safe and welcome in Tower Hamlets.

Page 55

What we have delivered

The Council of Mosques' participation in Tower Hamlets partnership has been agreed at a Partnership Executive Group. We have improved our work on neighbourhood crime and anti social behaviour (ASB) and identified and resolved **11** problematic crime and ASB hotspots.

What difference have we made?

We are investing in our CCTV network. The number of upgraded CCTV cameras that are operational stands at **85** at the end of Q2, and the control centre is preparing to move to a new location as the council prepares to depart from Mulberry Place.

We have lobbied the Mayor's Office for Policing and Crime (MOPAC) at the GLA and the Metropolitan Police Commissioner to reopen a police station on the Isle of Dogs.

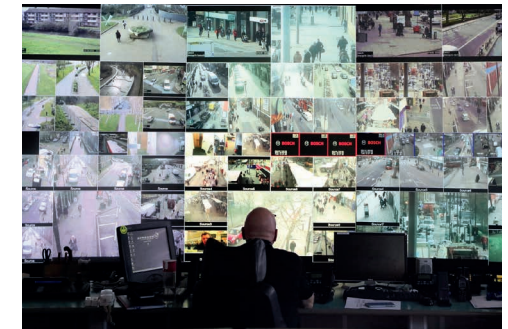
The council has worked to support the Metropolitan Police Service locally to recruit a workforce that reflects the community through recruitment events at a number of community venues, including East London Mosque (where over 150 information sheets were handed out in 2 hours).

Our Performance

The number of hours of uniformed patrols through the Safer Neighbourhood Operations Service stands at **4726** hours, close to the target of **5000**.

The percentage of victims of violence against women and girls who feel safer after engaging with commissioned provider exceeded the current target rate of **77%** in Q1 (**94%**) but fell to **63%** in Q2. This measure is based on survey responses in a cohort which changes composition each time it is reviewed, leading to some fluctuation between surveys.

8 safety surgeries took place in Q2 in addition to **4** safety walkabouts in September.



ActivityID	Measure	2021-2022 Outturn	2022-2023 Target	Q1 Outturn	Q1 Target	Q1 RAG	Q2 Outturn	Q2 Target	Q2 RAG
6.02	Number of upgraded CCTV cameras operational	0	350	30	75	Amber	55	75	Amber
6.02	Number of hours of uniformed patrols delivered by the Safer Neighbourhood Operations Service	N/A	10000	2432	2500	Amber	2294	2500	Amber
6.02	Victims of violence against women and girls who feel safer after engaging with commissioned provider	92%	77%	94%	77%	Green	63%	77%	Red
6.02	Adults with substance misuse treatment need who successfully engage in community-based structured treatment following release from prison	15.3%	37.4%	17.7%	37.4%	Amber	No data	37.4%	No data currently

ActivityID	Measure	Q2 RAG	Performance Commentary
6.02	Number of upgraded CCTV cameras operational	Amber	New camera supply is ahead of schedule. However the volume of new camera installation is lower than planned. This is due factors outside the Programme i.e. delays in the national supply chain of network switches needed for the new cameras to function. These supply chain issues have negatively impacted by a one-month delay in the planned installation schedule. The matter is being addressed with the contractor and through their suppliers. We expect the volume of installation to significantly increase month on month. To mitigate we have identified all those cameras that do not require switches and aim to install those in the next tranche..
6.02	Number of hours of uniformed patrols delivered by the Safer Neighbourhood Operations Service	Amber	The number of hours of uniformed patrols in Q1 and Q2 have been slightly below target. This is due to police "abstractions" - officers taken off their duties to provide cover for emergency response policing or central aid in London. Police officers may be deployed or redeployed by the Met Police Commissioner or Borough Commander as they deem appropriate to meet operational policing requirements. An analysis of police abstraction levels in Central East BCU and across London highlights an upward trend in police abstractions. The Central East BCU is particularly affected in recent months To mitigate this matter has been raised with the borough Commander and discussions are ongoing to reduce the hours of abstractions going forward. The cabinet member has written to the Met Police Commissioner to express concerns. It is understood that this matter is also subject of ongoing discussion at the resident led Safer Neighbourhood Board.
6.02	Victims of violence against women and girls who feel safer after engaging with commissioned provider	Red	The service provider is generally only able to provide short term support (3 months). In effect this is crisis intervention. Providing short term support to people who have suffered long term trauma is not necessarily going to improve feelings of safety for everyone and this was evident in Q2 when survey data were based on a low number of women who were all still living in the same household as the perpetrator. Whilst it is unfortunate that this was reported in one quarter, it shows how a snap shot survey in a single quarter can be skewed and reflect poorly on the service provided. The Community Safety Team has robust service delivery monitoring processes in place and after review, it is satisfied with the integrity of the surveys by Solace. It is proposed to set the target as '80% feeling safer after receiving support from the service provider'.

Priority 7

A clean and green future

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Our ambition:
Cleanliness and air quality improve, emissions and noise nuisance reduce, and everybody benefits from parks and more trees.

Page 59

What we have delivered

A Mayor's advisory board on climate change is being established. It will guide our work in making our council carbon neutral as well as shape our work with partners on reducing boroughwide CO₂ emissions.

The Mayoral Greener Future for Tower Hamlets programme has been developed. This programme includes four strands of work designed to reduce CO₂ emissions. They are: the Mayor's Energy Fund; The Mayor's Board for Climate Change; the Mayor's Waste Management Task Force; and Keep Our Borough Moving.

In line with our ambition to create green jobs and cut living costs, a residential energy efficiency scheme is being scoped for approval. The scheme will deliver renewable projects, energy efficiency of housing, retrofitting council buildings, and help other non-council recipients to reduce energy and decarbonise. We have signed up to the London Councils housing retrofit programme. In line with our ambition to install green heating systems on our estates, use solar panels, wind turbines and make use of heat and power schemes, **£44,000** of

funding has been secured to deliver renewable energy projects.

In order to improve street cleanliness and fight fly tipping, hotspots have been identified and work is underway to prevent incidence of fly tips and increase enforcement particularly across Whitechapel, Spitalfields and Banglatown wards. Work is also under way to encourage the community to become more involved in checking cleanliness standards across the borough. The recruitment of new Environmental Coordination Officers is complete with all posts recruited by the beginning of October. The team are currently undergoing induction and training with a number of walkabouts and clean ups already completed.

Work has been undertaken to develop a baseline of measures currently in place to tackle noise pollution. A costing exercise has been completed to understand what additional resources would be required for greater enforcement regarding noise pollution and to identify areas for increased enforcement.



**Our ambition:
Cleanliness and air quality improve, emissions and noise nuisance reduce, and everybody benefits from parks and more trees.**

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Working with the Mayor of London to tackle air pollution in Tower Hamlets, we have promoted air quality audits to schools and installed living green screens. Anti-idling enforcement awareness raising has continued as well as installation of anti-idling signage in hot spot areas.

The programme of construction site audits to ensure they comply with the non-road mobile machinery (NRMM) legislation (tackling PM10 emissions) is also ongoing.

The Air Quality Action Plan has been updated with data from the GLA Local Atmospheric Environment Inventory (LAEI) report. Work continues to engage businesses that we know are particularly high emitters of pollution.

The council responded to the TfL bus review consultation to make the case for a good local bus network.

We have begun a refresh of the council parking and enforcement policy and have developed proposals to review the borough's car parking zones, create additional car parking spaces and provide one hour of free parking

for customers shopping at our local markets.

The council continues to support active travel, through schemes to teach cycling, cycle proficiency and safety. We are exploring opportunities to develop further provision with partners and we continue to monitor the effectiveness and safety of cycle lanes.

What difference have we made?

We were successful in being awarded a Green Flag award for Bartlett Park this year. This award now brings the total Green Flag awards for **13** parks and green spaces in the borough. Our Performance

The target for the number of trees to be planted in the year is **200**. The planting season runs from October through March each year (Q3 and Q4). Q1 and Q2 has been used to identify suitable planting locations across the Borough's parks, highways and housing land through a feasibility study.

The level of household recycling in Q1 has dropped to **16.90%**, down from **18.0%** in 2021-22. An ambitious plan is in place to address and increase this with the new target being set.

The number of children engaged in school cycle schemes is so far this year is **812**.



ActivityID	Measure	2021-2022 Outturn	2022-2023 Target	Q1 Outturn	Q1 Target	Q1 RAG	Q2 Outturn	Q2 Target	Q2 RAG
7.10	Number of missed collections	17094	10000	2221	2500	Amber	5874	5000	Red
7.08	Number of trees planted	0	200	0	0	Green	0	0	Green
7.11	Level of household recycling	18%	22%	16.90%	22%	Red	No data currently	22%	No data currently
7.13	Percentage of enforcement actions to fly-tip incidents	97%	125%	51%	60%	Amber	74%	80%	Amber
7.20	Children engaged in school cycle schemes	914	1100	323	330	Amber	491	550	Amber

ActivityID	Measure	Q2 RAG	Performance Commentary	Directorate
7.10	Number of missed collections	Red	The mayor has declared a waste emergency and the council is investigating changes as a result.	Place
7.13	Percentage of enforcement actions to fly-tip incidents	Amber	At the end of Q2, percentage of enforcement actions to flytips was at 74%. There has been a steady increase in enforcement action in Q2 compared to Q1. From the start of Q3 we have recruited 4 Environmental Co-ordinators who are working with our Environmental Services team to target fly tipping Hotspots in Weavers, Bethnal Green, Whitechapel, Spitalfields and Banglatown wards. This has helped increase fly tip investigations, advice, warning letters and £400 fixed penalty notices. We have also installed extra CCTV cameras into hotspot locations, which will support increased enforcement action to help reduce fly tipping in hotspot areas.	Place
7.20	Children engaged in school cycle schemes	Amber	Number of children engaged in school cycle schemes in Q1 and Q2 is slightly below target but strong demand from schools are reported subsequently. The services anticipates output above the target agreed at the end of Q3.	Place

Priority 8

A council that
listens and works
for everyone

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Our ambition:
Residents benefit from accessible, high quality services and are involved in decisions that affect them

Page 64

What we have delivered

We are continuing to engage and consult with residents to understand their views on our Liveable Streets schemes. Following a consultation in Wapping, the council has listened to residents and ensures that the Wapping Bus Gate remain in place. Preparations are now being put in place to consult on options regarding the Liveable Streets schemes in Bethnal Green, Brick Lane and Weavers. An initial programme of highway improvement schemes is currently being reviewed.

Options for future voluntary and community sector funding have been developed and are currently being discussed with stakeholders.

Taken initial steps to introduce anonymised applications in an e-recruitment system with the intention of launching anonymised applications in January 2023.

Detailed guidance on diversity in the workplace and more specifically throughout the recruitment and selection process has been made available to hiring managers. This includes the

requirement for the hiring manager, at the pre-interview stage to "arrange a representative recruitment panel (i.e. gender and ethnic balance) comprising a minimum of two members and if possible one person from a different department".

What difference have we made?

Work is underway for 2022/23 to address representation of staff from Black, Asian and Multi Ethnic backgrounds at a senior staff level through the Council's Equality Diversity and Inclusion Action Plan. This includes work to address the Council's pay gaps, talent management, leadership and development, and coaching and mentoring.


Our Performance

At present **31.54%** of staff in the top **5%** of earners amongst council staff are from Black, Asian and Multi Ethnic backgrounds. This is below our target of **35%** but slightly improved compared to the last quarter of 2021-22. In March 2021, Tower Hamlets had the third highest percentage of top **5%** earners from Black, Asian and Multi Ethnic backgrounds across all London councils.



ActivityID	Measure	2021-2022 Outturn	2022-2023 Target	Q1 Outturn	Q1 Target	Q1 RAG	Q2 Outturn	Q2 Target	Q2 RAG
8.13	Percentage of top 5 % of earners from Black, Asian and multi-ethnic communities	31.2%	35%	31%	35%	Amber	32%	35%	Amber
8.06	Residents' perception of being involved in decision-making	No 2021 data	No target	No data	No target	No data currently	No data	No target	No data currently
8.07	Residents' perception of being kept informed by the council	No 2021 data	No target	No data	No target	No data currently	No data	No target	No data currently

ActivityID	Measure	Q2 RAG	Performance Commentary
8.13	Percentage of top 5 % of earners from Black, Asian and multi-ethnic communities	Amber	<p>The top 5% earners who are Black, Asian and multi ethnic is currently 31.54%, 3.46% below target but up slightly from Q4 of 2021-22. There are relatively small numbers in the top 5% of earners, so minimal change in terms of numbers can impact the percentage. In March 2021, Tower Hamlets had the third highest percentage of top 5% earners who are Black, Asian or Multi Ethnic across all London boroughs, with 31%.</p> <p>Work is underway for 2022/23 to address Black, Asian and multi ethnic representation at the senior level through the Council's EDI Action Plan, including through work to address the Council's pay gaps, talent management, leadership and development, coaching and mentoring. Directorate targets are also being considered as part of work to look in more granular detail at where there is under representation, e.g. in specific services or professions. These interventions will take time to show results.</p> <p>Children's and Culture also have a specific directorate plan and targets to improve representation year on year from 2022/23</p>

<p>Cabinet</p> <p>14 December 2022</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Kevin Bartle, Interim Corporate Director Resources</p>	<p>Classification: Unrestricted</p>
<p>Budget Monitoring 2022/23 Quarter 2 including Capital</p>	

Lead Member	Cllr Saied Ahmed, Cabinet Member for Resources and the Cost of Living
Originating Officer(s)	Ahsan Khan – Head of Strategic Finance (Chief Accountant) Nisar Visram – Director of Finance, Procurement and Audit
Wards affected	All wards
Key Decision?	No
Forward Plan Notice Published	15 November 2022
Reason for Key Decision	N/A
Strategic Plan Priority / Outcome	All Strategic Plan 2022-26 priorities

Executive Summary

This report presents the forecast outturn compared to the budget report 2022/23 as at 30th September 2022 (Period 6) for the General Fund, Dedicated Schools Grant (DSG) Budget, Housing Revenue Account (HRA), progress made against savings targets and the council’s capital programme. It also provides projections on General Fund earmarked reserves and the forecast impacts of Covid on the councils finances in 2022-23.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Note the council’s forecast outturn position against General Fund, Dedicated Schools Budget, Housing Revenue Account and earmarked reserves for 2022-23, based on forecasts as at 30th September 2022;
2. Note the progress made against the 2022-23 savings targets, based on forecasts as at 30th September 2022;

3. Note the council's forecast outturn position against General Fund and Housing Revenue Account capital programme approved budgets for 2022-23, based on forecasts as at 30th September 2022;
4. 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 timeframe, 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 2 March 2022, the council considered and agreed the Revenue Budget and Council Tax for 2022/23. The council also agreed Dedicated Schools Grant (DSG) Budget and the Housing Revenue Account (HRA) budget for 2022/23, which includes rent setting and other charges.
- 3.2 The net budget requirement for 2022-23 has been set at £389.5m and includes delivering savings of £11.8m (£7.0m for 2022/23, and £4.8m slippage from previous years).
- 3.3 The year to date actuals to period 6 (30th September) amount to £296.0m. The period 6, 2022/23 financial forecast is an underlying gross overspend of £37.0m. The position after the proposed net drawdown of earmarked reserves, totalling £(33.9)m, is an overall forecast overspend of £3.1m. Significant savings are still to be delivered in 2022/23 within a continuing challenging environment for the council. Any under/over spend at the year-end will be transferred to/funded from reserves.
- 3.4 Given the period 6 forecast outturn position, General Fund and earmarked reserves are consequently forecast to reduce from £228.8m at the start of this financial year to £181.0m by the end (a decrease of £47.8m).
- 3.5 General Fund balances and reserves without restrictions are forecast to decrease by £(4.4)m, from £109.8m to £105.4m in 2022/23. We are in a hugely unpredictable environment and we are facing significant challenges over the medium-term thus it is important to maintain reserves at an adequate level to help mitigate and manage these significant risks and ensure the council remains on a sustainable footing going forward.
- 3.6 General Fund Restricted reserves are forecast to decrease by £(43.4)m, from £119.0m to £75.6m in 2022/23, this includes funds that are to be utilised for specific purposes, including grants received in advance pertaining to the Collection Fund, the council's self-insurance reserve, Public Health and other various revenue grants the council has received, which include conditions on the spend.
- 3.7 The updated 2021/22 outturn position on the DSG is a deficit of £3.1m, compared to the £1.0m surplus reported as part of provisional outturn to Cabinet in July 2022. This is largely due to pressures relating to the High Needs block, resulting in a updated 2022/23 brought forward deficit on the DSG of £14.6m. The Deficit in the DSG has been built up over the last 4 years with increased demand for individual support for Children through Education Health and Care Plans. The DfE have recognised that levels of funding were not adequate to cover demand and the majority of Local Authorities are now in an accrued deficit position. In 2022/23, current forecasts on the spend within the Dedicated Schools budget is a small underspend of £0.6m in 2022/23. This budget is exceptionally volatile with the main variable related to spend on individual high needs arrangements. The prior years' deficit would be expected

to be paid back over the longer term to ensure that provision for young people can be maintained.

- 3.8 The Housing Revenue Account is forecasting an adverse variance of £3.9m when compared with budget. It is assumed that this balance will be transferred from general HRA balances at year-end. The HRA is forecasting an unbudgeted energy cost pressure totalling £2.6m for gas and electricity in 2022/23. These costs are partly recoverable from leaseholders where they relate to communal areas and this additional income has been reflected separately in this forecast. Other variances in the HRA relate to delegated budget, which is forecasting a year-end adverse variance of £0.9m, the THH management fee is forecasting a year-end adverse variance of £0.4m and the non-delegated budget is forecasting a year-end adverse variance of £2.6m. Further details are provided in Appendix A, section 4.
- 3.9 The detailed monitoring report, setting out the period 6 forecast outturn against revised 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.
- 3.10 Detailed progress made against savings targets are contained in Appendix B.
- 3.11 A summary of the non-ringfenced and specific ringfenced Covid-19 grants and forecast outturn Covid spend and reduced income is detailed within Appendix C.
- 3.12 Further details of the period 6 forecast outturn capital monitoring position at programme level is provided in Appendix A, section 10 as well as Appendix D and Appendix E (for the GF and HRA respectively).

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.

Linked Reports, Appendices and Background Documents

Linked Report

- None

Appendices

- Appendix A: Budget monitoring report 2022-23 as at 30th September (Period 6)
- Appendix B: Summary MTFs Savings Tracker 2022-25
- Appendix C: Covid-19 Forecast Outturn Summary 2022-23
- Appendix D: 2022-23 Period 6 Forecast Outturn General Fund Capital Programme Monitor
- Appendix E: 2022-23 Period 6 Forecast Outturn Housing Revenue Account Capital Programme Monitor

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

- None

Officer contact details for documents: N/A

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Appendix A

Budget Monitoring Report 2022-23 as at 30th September (Period 6)

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<i>Directorate positions</i>		
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Circulated to	Cabinet
Date	14 December 2022
Classification	Unrestricted
Report of	Interim Corporate Director of Resources
Lead Member	Cllr Saied Ahmed, Cabinet Member for Resources and the Cost of Living
Originating Officer(s)	Ahsan Khan, Head of Strategic Finance (Chief Accountant)
Wards affected	All Wards
Key Decision?	No

Forecast General Fund (GF) £3.1m overspend

Forecast Dedicated Schools Grant (DSG) £0.6m underspend before transfer to reserve

Forecast Public Health (GF) Nil variance

Forecast Housing Revenue Account (HRA) £3.9m overspend before transfer from reserve

Period 6 Forecast Outturn as Overspend/(Underspend) (£m)

	2022/23 Net expenditure budget	Actuals	Forecast outturn	Gross over / (under) spend	Transfer to / (from) reserves	Net variance over / (under) spend (impact on GF / DSG / HRA)	Increase / (decrease) in overspend / (underspend) from Period 3
	A		B	C = B - A	D	= C + D	
Children & Culture Resources	74.8	52.9	79.2	4.4	(3.2)	1.2	0.6
Chief Executive's HA&C	39.7	102.8	40.9	1.2	(1.4)	(0.2)	0.1
Place	14.5	9.1	16.2	1.7	(1.7)	0.0	0.0
	162.2	69.9	179.7	17.5	(15.1)	2.4	0.5
	75.6	48.0	89.3	13.7	(11.8)	1.9	0.9
Sub-total GF services	366.8	282.7	405.3	38.5	(33.2)	5.3	2.1
Corporate and Financing costs	22.7	13.3	18.8	(3.9)	(0.7)	(4.6)	(1.6)
Unbudgeted Energy Cost Pressures	0.0	0.0	2.4	2.4	0.0	2.4	(0.2)
Total General Fund	389.5	296.0	426.5	37.0	(33.9)	3.1	0.3
<u>Ringfenced Items</u>							
DSG Grant				(0.6)	0.6	0.0	0.0
HRA				3.9	(3.9)	0.0	0.0

General Fund

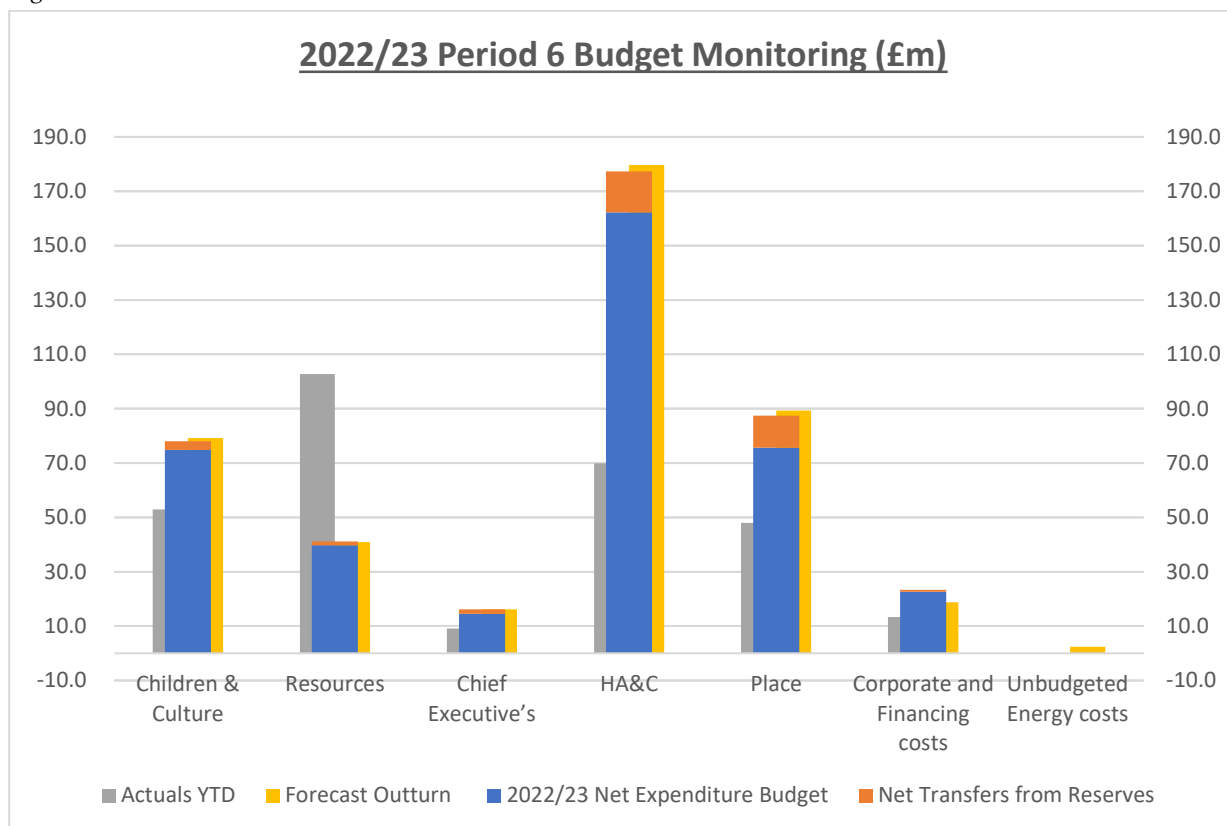
The total council approved revenue net expenditure budget for 2022/23 is £389.5m. The year to date actuals to period 6 (30th September) amount to £296.0m. The period 6, 2022/23 financial forecast is an underlying gross overspend of £37.0m. The position after the proposed net drawdown of earmarked reserves (subject to the approval of the CFO at year-end), totalling £(33.9)m, is an overall forecast overspend of £3.1m (*see figure 1.1 below*). The detailed directorate monitoring, setting out the period 6 forecast outturn against revised budgets and the reasons for the variances are detailed within the body of this Appendix.

There is an exceptional item of note where the General Fund is forecasting unbudgeted electricity cost pressures totalling £2.4m across all Directorates. This figure excludes street lighting, which has been forecast within Public Realm (Place), schools and HRA communal sites. The in-year cost of gas is forecast to be contained within existing budgetary provision. Further unit price increases are forecast at 58% for electricity and 79% for gas in 2023/24 which will increase the pressure on the General Fund to £4.7m for electricity and £0.5m for gas, a combined total of £5.2m. Although currently reported as a separate item,

for budget monitoring for the remainder of the year, unbudgeted energy costs will be allocated to appropriate directorates and reflected within directorate forecast outturn positions.

Significant savings are still to be delivered in 2022/23 within a continuing challenging environment for the council. Any under/over spend at the year-end will be transferred to/funded from reserves.

Figure 1.1



General Fund and Earmarked Reserves

There is a forecast reduction in the year-end reserves position, this is summarised in the table below:

All in figures in £m	Provisional outturn 31 March 2022	Forecast in-year increase / (decrease)	Forecast 31 March 2023
General Fund balance	23.8	(3.1)	20.7
Reserves without restrictions	86.0	(1.3)	84.7
Sub-total	109.8	(4.4)	105.4
General Fund Restricted Reserves	119.0	(43.4)	75.6
Total	228.8	(47.8)	181.0

Some reserve movements do not show on the Period 6 Forecast Outturn table due to the way they are accounted for – their balance movements do not directly impact service Directorates. A reconciliation between the above table and the services outturn table is below:

	£m
Directorates movement in reserves	(33.9)
ICT capital infrastructure improvements reserve transfer contribution	(0.8)
Period 6 overall forecast overspend reserve transfer contribution	(3.1)
Smoothing reserve Collection Fund reserve transfer contribution	(10.0)
Total General Fund and Earmarked Reserves movement	(47.8)

General Fund balances and reserves without restrictions are forecast to decrease by £(4.4)m, from £109.8m to £105.4m in 2022/23. We are in a hugely unpredictable environment and we are facing significant challenges over the medium-term thus it is important to maintain reserves at an adequate level to help mitigate and manage these significant risks and ensure the council remains on a sustainable footing going forward.

General Fund Restricted reserves are forecast to decrease by £(43.4)m, from £119.0m to £75.6m in 2022/23, this includes funds that are to be utilised for specific purposes, including grants received in advance pertaining to the Collection Fund, the council's self-insurance reserve, Public Health and other various revenue grants the council has received, which include conditions on the spend.

Covid-19

Directorate	Forecast Gross over / (under) spend <i>PRE Covid-19 funding application</i> (£m)	Non-ringfenced COVID-19 Funding (£m)	Specific ringfenced COVID-19 Grant Funding (£m)	Forecast Gross over / (under) spend <i>POST Covid-19 funding application</i> (£m)
	(A)	(B)	(C)	= A – B – C
Children & Culture	5.2	0.8	0.0	4.4
Resources	2.1	0.3	0.6	1.2
Chief Executive's Office	1.7	0.0	0.0	1.7
HA&C	22.4	0.0	4.9	17.5
Place	21.2	0.7	6.8	13.7
Corporate	(3.2)	0.7	0.0	(3.9)
Unbudgeted Energy Cost Pressures	2.4	0.0	0.0	2.4
Total	51.8	2.5	12.3	37.0
Total COVID-19 Funding Applied in 2022/23 = B + C				14.8

Over the last two financial years during the COVID-19 pandemic, the Government provided total non-ringfenced COVID-19 grant funding of £51.1m, of which £8.4m was carried forward into the current financial year. Latest forecasts indicate that the council will need to utilise £2.5m of this non-ringfenced COVID-19 funding to mitigate against in-year COVID-19 pressures which continue to persist, leaving £5.9m not yet allocated in forecasts for this year. The council will continue to monitor this position in light of any further potential pressures that may arise from now to year-end.

Also during the pandemic, the Government provided COVID-19 ringfenced grants to help mitigate against specific pressures faced by the council. The council carried forward £4.4m of this funding into the

current financial year, of which £3.5m related to Contain Outbreak Management Fund (COMF), which is forecast to be fully utilised in-year to mitigate related pressures within Health Adults and Communities (HA&C). In 2022/23, the council is forecasting further COVID-19 pressures within HA&C relating to Vaccinations (£0.5m), Additional Burdens Funding (£0.6m) for administration of Covid-19 grants in Resources and pressures within Place relating to household support (£6.0m) and rough sleeping (£0.8m), which are forecast to be funded from specific related COVID-19 ringfenced grants the council will receive in-year.

Please refer to 'Appendix C – Covid-19 Forecast Outturn Summary 2022-23' for an analysis of the non-ringfenced and specific ringfenced Covid-19 grants and estimated overall Covid related spend and reduced income.

Collection Fund

For Business Rates, to the end of period 6, we have collected £251m of £444m billed (56.6% in-year collection rate) compared to 53.0% for 2021-22, which is an improvement on 2021. This includes collection of the Business Rate Supplement (BRS) for the London Crossrail development. The Covid-19 Additional Relief Fund (CARF) reliefs have now been allocated to business rates accounts and this has contributed to the increase in collection.

For Council Tax, to the end of period 6, we collected £79m of the £167m Council Tax bills raised (47.2% in-year collection rate) compared to 45.7% for the same period in 2021-22, which is an improvement on 2021 but lower than pre-pandemic collection levels. Future years' collection rates could be negatively affected by wider economic impacts being experienced by residents (including inflationary and market pressures on employment, energy and food costs).

Dedicated Schools Grant (DSG) Budget

Current Forecast on the spend within the Dedicated Schools budget is a small underspend of £0.6m in 2022/23. This budget is exceptionally volatile with the main variable related to spend on individual high needs arrangements. The prior years' deficit would be expected to be paid back over the longer term to ensure that provision for young people can be maintained.

HRA

The Housing Revenue Account is forecasting an adverse variance of £3.9m when compared with budget. It is assumed that this balance will be transferred from general HRA balances at year-end.

The HRA is forecasting an unbudgeted energy cost pressure totalling £2.6m for gas and electricity in 2022/23. These costs are partly recoverable from leaseholders where they relate to communal areas and this additional income has been reflected separately in this forecast. Other variances in the HRA relate to delegated budget, which is forecasting a year-end adverse variance of £0.9m, the THH management fee is forecasting a year-end adverse variance of £0.4m and the non-delegated budget is forecasting a year-end adverse variance of £2.6m. Further details are provided in section 4 of this appendix.

C&C forecast overspend of £1.2m

DSG forecast underspend of £0.6m before contribution to reserve

Service	2022/23 Net expenditure budget £m	Actuals £m	Forecast Outturn £m	Gross over / (under) spend £m	Transfer to / (from) reserves £m	Forecast over/(under) spend £m
	A		B	C = B - A	D	= C + D
Supporting Families	57.5	31.0	58.0	0.5	(0.4)	0.1
Commissioning and Culture	6.4	3.6	6.7	0.3	(0.2)	0.1
Education	9.1	6.6	10.7	1.6	(0.6)	1.0
Children's Resources	1.8	11.7	3.8	2.0	(2.0)	0.0
Education Impact of School Closures and Amalgamations	0.0	0.0	0.0	0.0	0.0	0.0
Total	74.8	52.9	79.2	4.4	(3.2)	1.2

The Children and Culture Directorate is reporting a net overspend of £1.2m. The Supporting Families service is showing a net overspend of £0.1m, Commissioning and Culture a net overspend of £0.1m, Children's Resources on target, and Education £1.0m overspend. The primary pressures are about demand and the increased levels of need for children and families as a consequence of both Covid and the Cost of Living crisis. The budget position reflects that Supporting Families is managing these pressures well to date and remaining broadly within budget, helped by the increased social care grant and the focus that there has been upon delivering a stronger Early Help offer together with strengthened partnership working. SEND pressures continue to increase with a clear link to the impact of the pandemic upon children's development, with October 2022 seeing the largest ever number of referrals for Education Health and Care Plans in a single month, and those pressures make up the bulk of the overspend reported for this quarter. Plans are being taken forward to ensure that the increased level of need in SEND is addressed through growth bids for 2023/24.

The General Fund provisional gross outturn is an overspend of £4.4m. This forecast is before taking account of the application of Covid reserve funding to support the non-achievable savings target of £250k (from a £500k saving split 50/50 between both the Place and Children and Culture directorates). This saving related to increased income from rental of Council assets. In the much-changed rental market these savings are no longer achievable. There has also been a contribution from Covid reserves to contribute towards the continuing pressure on SEN transport costs where we have seen a number of Children and young people not able to progress to independent travel as well as the need for more individualised transport arrangements then had been planned in the previous SEN travel review.

There is a Contribution from an earmarked reserve of £2m, being £1m from General fund reserve and £1m of Public Health reserve for the cost of providing universal free school meals for all Children in Tower Hamlets Primary Schools. This treatment was originally an allocation of funding to cover 3 years,

this being the second year, to support the cost which is jointly funded with Public Health who would normally make an annual £1m contribution.

Current Forecast on the spend within the Dedicated Schools budget is a small underspend of £0.6m. This budget is exceptionally volatile with the main variable related to spend on individual high needs arrangements.

Supporting Families: £0.1m overspend

The considerable work in realigning budgets plus the additional resource that has been made available through the higher social care grant has meant that the supporting Families directorate is forecasting only a small overspend, however this does include some volatility on some areas.

Children With Disabilities: £0.2 overspend

There has been a historic underpayment related to zero hour contract staff dating back 2013. Calculation of the exact costs is underway with HR colleagues but an estimate of £50,000 has been forecasted. The remaining pressure is on 3 agency staff members who will be moving to permanent contracts shortly.

Leaving Care: (£0.1) underspend

There are some vacancies in the Leaving Care service these are currently covered by agency staff. Recruitment is underway.

Early Help (£0.2m) underspend

Underspend due to a number of vacant posts that are being recruited to and expected to be filled later in the financial year.

Frontline Social Work Teams: £0.2m overspend

The service has found it challenging for the front-door teams to secure a permanent workforce and there continues to be a reliance on agency staff. Further work is taking place to review the current use of Agency staff.

Commissioning and Culture £0.1m

With the lifting of Covid restrictions, areas within Culture and Leisure have started to show significant recovery with increased sport and leisure uptake and refreshed income generation.

Leisure services £0.1 overspend

The reorganisation of the Leisure service has meant that the St Georges site will be returned to the Council from GLL in the coming months pending future work on redevelopment. The protection of the site includes Security and Guarding and there is no existing budget to cover these costs.

PDC Gross £0.3m overspend net zero

One area that is still showing a shortfall is the Professional Development Centre (PDC) which has seen a significant reduction over the last two years in lettings as more meetings have taken place virtually rather than in person. Whilst restrictions have lifted this now appears to be a permanent change that has left much of the facility unlet. As this various can show a direct link with the effects of the pandemic the final outturn is shown after the application of Covid support funding to reflect a revised budget position. After Covid relief Commissioning and Culture are on target. There are only a small number of budget variations none of which at this stage are of significant note.

Education: £0.7m

Education Psychology: £0.4m

There has been a significant reduction in income from schools as the team become more stretched and are unable to deliver non-statutory services. The need to drive improvement in the timely completion of Education, Health and Care Plan (EHCP) assessments in line with our SEND Improvement Plan and following our inspection has led to increased locum costs to support the extended workload which is expected to be an ongoing pressure for the year as the we work to achieve target completion dates.

SEN Travel Costs £1.0m gross £0.5m net after Covid relief

Additional SEN transport costs continue to be a pressure on budgets. EHCP numbers are still rising and in cases where we are unable to meet local needs this has led to increased costs of transport. Some assistance last year from Covid support funding allowed for additional routes and escorts and whilst Covid restrictions are no longer in place there is still a significant backlog in efficiencies that were not able to be delivered. We are seeing increasing behavioural issues among some children post Covid which has meant there is a need to continue use of separate vehicles and additional escorts to ensure safe travel to school for both the children and the drivers, meaning the planned route optimisations have not all been met. The pause in delivering independent travel training over the period of Covid restrictions also means we have a number of older Children who would normally have been supported in progressing to independent travel who are still accessing SEN transport. Exceptional increases in fuel costs and levies related to the ULEZ in London as well as staff shortages have also contributed to additional costs and the saving attributed to the budget of £500k is no longer achievable.

Safeguarding £0.1m

Additional_Income targets were bult into the budget for this year which the services are currently forecasting as being unachievable, no charges have yet gone through so this will be subject to further review.

Forecast underspend of £0.2m

Service	2022/23 Net expenditure budget £m	Actuals £m	Forecast Outturn £m	Gross over / (under) spend £m	Transfer to / (from) reserves £m	Forecast over/(under) spend £m
	A		B	C = B - A	D	= C + D
Customer Services	6.0	4.3	6.3	0.3	(0.3)	0.0
Finance, Procurement & Audit	8.1	4.8*	8.9	0.8	(0.8)	0.0
ICT	12.5	9.7	12.5	0.0	0.0	0.0
Revenue and Benefits Service	1.6	78.5*	1.9	0.3	(0.3)	0.0
Workforce, OD and Business Support Service	11.5	5.5	11.3	(0.2)	0.0	(0.2)
Total	39.7	102.8	40.9	1.2	(1.4)	(0.2)

*High actuals to date in Finance, Procurement and Audit due to Insurance Trading Account recharges to be processed and in Revenue and Benefits Service due to Housing Benefit income to come from government for reimbursement of costs.

The Resources directorate forecast is an underspend of £0.2m. This position is following requested drawdowns from reserves totalling £1.4m and staffing costs allocated to the Covid Outbreak Management Fund (COMF) grant of £0.1m.

The reserve movements consist of requested drawdowns from the Insurance Reserve for insurance team staffing (£0.4m), Transformation Reserve for finance improvements (£0.4m), the Covid non-ringfenced grant reserve (£0.3m) and ICT Transformation Reserve for CRM development (£0.25m).

Please also note that there will be a drawdown of £0.8m from the ICT Transformation Reserve towards the funding of the ICT capital infrastructure improvements totalling £1.8m.

Customer Services – forecast breakeven after reserves movements

A Period 6 forecast breakeven position for the Customer Services division, after drawdown from the ICT transformation reserve (£0.3m).

The Period 6 forecast for the **Customer Contact Centre and Central Customer Services** is a £0.4m overspend position, following a drawdown of £0.3m from the ICT transformation reserve for Customer Relationship Management (CRM) developments. The forecast overspend primarily relates to the Residents Hub currently being piloted at Mulberry Place (and will transfer into the new Town Hall).

The Period 6 forecast for **Idea Stores** is a £0.1m underspend due to charging of staffing to the Covid Outbreak Management Fund (COMF) grant.

The Period 6 forecast for **Idea Stores Learning** is an underspend of £0.1m due to increases in adult community learning grants and the allocation of staffing costs against the Innovation Fund.

The Period 6 forecast for **Registrars Services** is an underspend of £0.1m due to increased fees & charges income. The service moved into St George Town Hall in 2021 and this has increased income maximisation from events such as weddings.

The Period 6 forecast for **Information Governance** is a £0.1m underspend due to periods of vacancy.

Finance, Procurement and Audit – breakeven forecast after reserves movements

A forecast breakeven position, following the annual drawdown from the Insurance Reserve of £0.4m for Insurance Team staffing costs and a drawdown from the Transformation Reserve of £0.4m for the Finance Improvement Programme to continue with its improvement journey following issues highlighted in the audits of the council's accounts for 2018-19 and 2019-20.

There is a potential financial risk in staffing for the Procurement Team due to the high number of procurements occurring at the moment including social care homecare contracts and a high level of agency staff usage. Permanent recruitment is underway to try to fill posts covered by agency workers however it has been proving difficult to recruit in the current market.

Information Technology – breakeven forecast position

A Period 6 forecast breakeven position, however the IT service is experiencing inflationary pressures which could impact the 2022-23 position as contracts are renewed during the year.

Please also note that there will be a drawdown of £0.8m from the ICT Transformation Reserve towards the funding of the ICT capital infrastructure improvements totalling £1.8m.

Revenues and Benefits Service – breakeven forecast after reserves movement

Period 6 forecast breakeven position, following the requested drawdown of £0.3m from the Covid non-ringfenced grant reserve. The forecast overspend pressure before reserves of £0.3m is demonstrated through administration staffing £0.7m, underachievement in income £0.5m and an overspend in transaction fees £0.2m; partially offset through a forecast underspend in Housing Benefits due to high levels of collection of overpayment debts (£1.1m).

Covid-19 has had a significant impact on the staffing levels required in Revenues Services for administering Business Rates, Council Tax, Housing Benefits and Council Tax reduction claims. There is also extra staffing required to facilitate Covid-19 grant payments, rates reliefs for businesses, the Covid Additional Relief Fund for business rates and the Energy Rebate Scheme for council taxpayers.

In 2022-23 there is a forecast overspend of £1.3m on direct staffing costs, towards which the government is expected to provide Additional Burdens Funding of circa £0.6m for administration of Covid-19 business grants and the Council Tax Hardship Fund. It is requested to drawdown £0.3m from the Covid non-ringfenced grant reserve, which will leave a forecast staffing overspend pressure of £0.4m.

The long-term staffing requirement from the pandemic and increased properties for council tax will need to be considered in the future, to maximise income collection for both council tax and business rates.

Enforcement activity to recover debts through the courts was suspended during the pandemic and this created an under-achievement in court costs awarded income. Income from court costs is forecast to be £0.2m below budget in 2022-23, although this demonstrates an improvement from 2020-21 and 2021-22.

As well as the main Housing Benefits Administration Grant, the Benefits Service has also historically received ad hoc grants from government departments, such as from the DWP for participation in pilot

schemes. Due to the Covid-19 pandemic, these other grants have not been available in full and this resulted in income of £0.3m below budget for 2021-22. This pattern is forecast to continue in 2022-23, as will the reduction in administration grant funding for Council Tax Support and Housing Benefits.

Work levels remain high for Council Tax Support claims and the move to Universal Credit remains slow meaning Housing Benefit caseloads are not reducing quickly enough to consider reducing staffing levels at this time.

There is a forecast overspend pressure of £0.2m due to increased bank transaction fees for card payments online and by touchtone phone, as the Council has increased the use of self-service options for the payment of bills by residents.

Workforce, OD and Business Support Service – £0.2m forecast underspend

The Period 6 forecast for the Workforce, OD and Business Support Service is a breakeven position. The position includes an underspend in the Occupational Health and HR business partner service (£0.2m) and an underspend in Learning, Organisational and Cultural Development (£0.3m), which offset a potential overspend in Business Support of £0.1m (pending a review of the structure) and short-term costs to support an HR improvement plan for systems and operational improvements of £0.2m.

Forecast Nil variance

Service	2022/23 Net expenditure budget £m	Actuals £m	Forecast Outturn £m	Gross over / (under) spend £m	Transfer to / (from) reserves £m	Forecast over/(under) spend £m
	A		B	C = B - A	D	= C + D
Communications and Marketing	2.1	1.1	2.1	0.0	0.0	0.0
Strategy, Improvement and Transformation	6.4	3.5	6.9	0.5	(0.5)	0.0
Legal, Monitoring Officer, Democratic and Electoral Services	5.0	3.9	5.7	0.7	(0.7)	0.0
Corporate Management	0.3	0.2	0.3	0.0	0.0	0.0
Mayor's Office	0.7	0.4	1.2	0.5	(0.5)	0.0
Total	14.5	9.1	16.2	1.7	(1.7)	0.0

The Chief Executive's Office Period 6 forecast is a breakeven position, following an estimated drawdown from reserves totalling £1.7m.

The reserve movements include drawdowns from the Local Election Reserve (c£700k), Mayor's Priority Investment reserve for Mayor's Office staffing (c£500k), VCS projects reserve (£116k), Covid Recovery Fund Reserve (£185k), ESOL for Integration Fund reserve (£149k) and the Local Community Fund reserve (£30k).

Communications and Marketing – Breakeven forecast

Strategy, Improvement and Transformation – Breakeven forecast after reserves

The Period 6 forecast is a breakeven position after reserve movements.

Expected reserve movements are:

- drawdown of the VCS projects reserve of £116k, created in 2021-22 for spend in 2022-23, relating to the Innovation Fund, Equalities Contracts Review Mitigation and Emergency Fund
- drawdown from the Covid Recovery Fund of £185k for community-led recovery, health and economic recovery, and supporting children and young people
- drawdown from the ESOL for Integration Fund reserve of £149k for expenditure incurred
- drawdown from the Local Community Fund (LCF) reserve of £30k for expenditure incurred

Legal, Monitoring Officer, Democratic and Electoral Services – Breakeven forecast after reserves

The Period 6 forecast is a breakeven position, following the drawdown from the Local Elections Reserve of circa £0.7m for the elections in May 2022.

Legal services is a demand led service and the level of work will need to be monitored throughout 2022-23 to identify any potential overspend pressures as the backlog of cases from the pandemic now work their way through the courts.

Corporate Management – Breakeven forecast

Mayor's Office – Breakeven forecast after reserves

The Period 6 forecast is a breakeven position, following the drawdown from the Mayor's Priority Investment reserve of circa £0.5m for additional staffing in the Mayor's Office. The extra staff are to support additional casework (including supporting the work from twice weekly surgeries run by the Mayor), cabinet and executive support, and the engagement of Mayor's Advisors to contribute to the delivery of strategic priorities and the Mayor's manifesto commitments.

HA&C forecast overspend of £2.4m

Public Health forecast nil variance

Service	2022/23 Net expenditure budget £m	Actuals £m	Forecast Outturn £m	Gross over / (under) spend £m	Transfer to / (from) reserves £m	Forecast over/(under) spend £m
	A		B	C = B - A	D	= C + D
Adult Social Care	104.1	51.2	115.2	11.1	(8.0)	3.1
Community Safety	6.2	2.5	6.1	(0.1)	0.0	(0.1)
Integrated Commissioning	14.7	8.8	21.2	6.5	(7.1)	(0.6)
Public Health	37.1	7.4	37.1	0.0	0.0	0.0
Total	162.2	69.9	179.7	17.5	(15.1)	2.4

The Health, Adults and Community Directorate's projected outturn at period 6 is a £2.35m overspend position against a budget of £162.2m, representing a £0.506m increase on the period 3 position. This reflects a continuation of the pressures in Adult Social Care on care packages for disabled and older people provided under the Care Act.

The Directorate is on track to deliver 100% of its savings in 2022/23.

The Adult Social Care Improvement Programme has been put in place to reduce costs in the medium to long-term and achieve a more sustainable financial position for the service – business cases for technology enabled care and increasing housing with support options will come through in the new year but will not impact on this year's position.

Public Health forecasts a breakeven position at period 6 whilst Integrated Commissioning and Community Safety are both forecasting small underspends at this stage.

Transfers to and (from) Reserves (£15.1m)

Use of reserves relates largely to partnership funding held in pooled budgets for use across health and social care.

- Costs of placements for clients discharged from hospital and community equipment issued to clients on discharge are accounted for separately and not included in the financial pressures outlined above for this financial year. For the period April to the end of August 2022, a total of £1.6m has been funded in total for 1,510 care packages. The total projected funding from the s75 funding for 2022/23 at period 6, based on current client discharge data, which alleviates the financial pressure on the HA&C budget, is £3.8m.
- The allocated inflationary uplift budget transferred to reserves has been committed and is forecast to be spent in 2022/23.
- In agreement with the CCG, underspends against the Joint Funded Better Care Fund (BCF) for the Local Incentive Scheme Projects and Community Equipment Service that were transferred to Reserves are fully committed in 2022/23.

Adult Social Care – Forecast £3.08m overspend at Period 6

At Period 6 Adult Social Care is forecasting an overspend position of £3.08m against a budget of £104.2m. This represents an increase in projected expenditure against budget from period 3 by £0.592m.

(i) **Employee Costs – Forecast (£1.0m) underspend**

The period 6 forecast for employee costs is an £1.0m underspend position against a budget of £21.7m, primarily due to vacancies during permanent recruitment to posts. There has been deliberate action to reduce agency costs where possible and there are some remaining vacancies with difficulties recruiting.

(ii) **Care Package Costs – Forecast £5.6m overspend**

Care package costs are projected to overspend by £5.6m at period 6 against a budget of £100.09m at period 6. Forecasts for both home care packages and care home placements have increased to reflect the ongoing pressures set out below.

Care and Support Plan Assurance Meetings (CSPAM) data clearly demonstrates the increasing needs and complexities of clients, with additional packages being required to meet growing demand. Data from the 1st of April 2022 to the end of September 2022 shows that the Panel process has approved 524 packages of care with increasing needs, representing a further £4.33m full-year cost, and a further 88 new packages of care, adding a further £1.27m full-year cost. Against this, 172 cases assessed to date, resulted in a reduction or cessation in care package, amounting to a £2.18m reduction in full-year costs. 149 packages assessed resulted in no change in the level of care provided. The impact of these changes to date is a net increase of £3.41m (933 total packages reviewed).

Between Period 3 and Period 6, CSPAM has approved a further 464 net increased package care costs due to increase complexity of care (58% of packages required increased support and 6% were new packages), resulting in an additional £0.755m net costs within a 3-month period.

(iii) **Income – Forecast £0.6m over achievement of income over budget**

Income budgets are projecting an additional £0.6m in income at Period 6. This reflects the work carried out by the Mental Health team on the Section 117 income from the NHS.

Integrated Commissioning – Forecast (£0.61m) underspend at Period 6

Integrated Commissioning is forecast to underspend by £0.61m at period 6, against a revised budget of £14.74m. This represents an increase in the underspend position by £0.09m on the period 3 position.

The underspend for Integrated Commissioning is due to Community Equipment costs for discharged clients being funded via agreed s75 funding (partnership funding across the Council and NHS) for 2022/23, and therefore creating an underspend in costs for this area.

An area of substantial risk in Integrated Commissioning is the Transport Services Unit (TSU) recharge, which has a budget of £1.982m for 2022/23. Currently costs that will be recharged to from the Place directorate to Health, Adults & Community are yet to be confirmed, and due to current pressures in the fuel market, these costs may be at risk of being higher than budgeted.

Community Safety – Forecast (£0.12m) Underspend

Community Safety is projected to underspend by £0.12m at period 6 against a budget of £6.17m, with only a minimal movement from period 3, due to vacancies and staff turnover.

The Division has been successful in attracting significant grant funding. This is either through the London Crime Prevention Fund (MOPAC), Addiction, Diversion, Disruption , Enforcement, Recovery (ADDER) or via the Home Office (Prevent). The grant funding is for specific projects, programmes and funds posts. All the grant funding streams aim to deliver additionality and compliment partner resources, address gaps in service provision to tackle crime and anti-social behaviour and improve safety in the Borough. The short term and specific nature of the funding presents a strategic risk when funding ceases, for example, the Home Office is currently reviewing the National Prevent Programme and associated funding and as a consequence there is uncertainty as to the allocations for London Boroughs.

Public Health – Forecast Breakeven

Public Health is forecast to break-even at period 6 against a Public Health Grant allocation of £37.13m for 2022/23.

Covid Grants 2022/23

The Contain Outbreak Management Fund (COMF) grant carry-forward from 2021/22 was a balance of £3.523m. It has been estimated that the full allocation will be committed in 2022/23 on the Community Vaccination programme, funding to support the Healthy Borough Programme, community engagement commissions, Covid hub staffing, vaccine hesitancy insight and Find and Treat (London wide service focussing on outbreak management and uptake of vaccination in high-risk groups e.g. homeless and hostels), Outbreak management software and communication campaigns.

Costs that cannot be funded via available resources from the COMF grant will be funded via the Public Health Grant reserve for 22/23, currently projected at £1.0m.

The Department for Levelling Up, Housing & Communities (DLUHC) Community Vaccines Champions Grant, in the amount of £0.485m, will be used to deliver increased vaccination rates in targeted and hard to reach communities using Community Vaccine Champions. The grant has been fully committed during 2022/23, with expected additional costs to be funded via the COMF grant.

Sexual Health Services

As a demand-led service, sexual health remains the main risk to the Public Health budget. However, the risk is managed through contract and financial monitoring, and the maintaining of a reserve to address any pressure in this area.

Forecast overspend of £1.9m

Service	2022/23 Net expenditure budget £m	Actuals £m	Forecast Outturn £m	Gross over / (under) spend £m	Transfer to / (from) reserves £m	Forecast over/(under) spend £m
	A		B	C = B - A	D	= C + D
Property & Major Programmes	18.7	7.3	22.0	3.3	(2.5)	0.8
Resources	1.6	2.4	2.4	0.8	(0.5)	0.3
Public Realm	33.0	14.3	35.5	2.5	(1.7)	0.8
Growth & Economic Development	4.2	4.8	9.9	5.7	(5.7)	0.0
Planning & Building Control	1.8	1.0	3.1	1.3	(1.0)	0.3
Housing & Regeneration	16.3	18.2	16.4	0.1	(0.4)	(0.3)
Total	75.6	48.0	89.3	13.7	(11.8)	1.9

Forecast Outturn Position

The Place Directorate is forecasting an adverse variance of £1.9m after reserve adjustments. The Directorate is proposing a number of drawdowns and top ups which were planned as part of its business-as-usual activities. These adjustments net to a £11.8m drawdown from reserves. The reserve figure also includes £1.8m of additional reserve drawdowns from the Mayor's Priority Investment reserve to fund new mayoral pledges in year (cost of living crisis), £0.7m from the Covid general reserve in support of the Directorate's ongoing response to the pandemic and a one-off reserve drawdown of a further £2m to meet the cost of the New Town Hall.

Adverse variances are being forecast across most of the Directorate, with Property & Major Programmes and Public Realm experiencing cost pressures and Planning & Building Control reduced income. The majority of these variances relate to external factors outside of the control of the Place Directorate, for example challenges resulting from the pandemic and cost of living crisis, abortive costs relating to the capital programme, reduced capitalisation charges (including TFL programme) and assets being deemed surplus to requirement transferring to the Directorate without budget.

Savings Targets

The Directorate has £1.6m of savings targets in 2022/23. Of these savings, £0.4m is forecast to be delivered, £0.5m of savings are slipping into the next financial year and the remaining £0.7m is undeliverable.

Savings relating to the transformation of homelessness, efficiencies from insourcing THH and the transformational review of regulatory and enforcement functions are slipping.

The £0.7m undeliverable saving relates to the New Town Hall where savings to the running costs of Albert Jacob House would be identified following its disposal (£0.2m). Albert Jacob House is a HRA asset and therefore any efficiencies would benefit the HRA and not the general fund. A further saving of £0.5m relating to the better use of Council owned assets is also undeliverable. Although a work plan has been

developed to deliver the saving, the current Covid-19 environment is making it increasingly difficult to either let or dispose of property.

Covid-19 Response

The Place Directorate is continuing with its response to the Covid-19 pandemic and has received ring fenced grants for Household Support (£6m) and for continued support of the rough sleeping Everyone In campaign at Luke House (£0.8m). It is forecast that a further £0.7m will be charged against the Covid general reserve for additional support at Luke House and unachievable savings target relating to the better use of assets where the pandemic has adversely impacted on its delivery.

Property & Major Programmes – Forecast £0.8m Adverse

The Property & Major Programmes division is forecasting to outturn with a £0.8m adverse variance against a budget of £21.2m after reserve adjustments.

Corporate Property – Forecast £0.7m Adverse

A £0.1m forecast adverse variance resulting from the use of agency staff, acting up honoraria and retention supplements.

Five schools have been declared surplus to requirements (Cherry Trees, Guardian Angels, St Matthias, Shapla and Bromley Hall School). These schools were previously funded from Basic Needs grant. Vacant property costs including security, insurance, utilities and general maintenance are being incurred, creating a budget pressure of £0.6m without any financial provision being made as part of the decision-making process when declaring the buildings surplus to requirements. There are delays in procuring guardians at these sites to replace security due to a lack of legal resource. Bromley Hall School was due to be sold in June, but this was put on hold whilst the new administration review potential sales, resulting in further revenue cost at this site.

Corporate Landlord Model (CLM) – Forecast (£0.1m) Favourable

A £0.1m favourable variance on service charges relating to buildings the Council leases. The number of leased buildings is lower than budgeted, resulting in reduced costs.

A favourable variance of £0.2m for business rates relating to John Onslow House and Rushmead, both of which are budgeted for in the general fund but are HRA assets.

Repairs & maintenance budgets have an adverse variance of £0.2m with the cost of materials and labour rising following Brexit and the Covid pandemic and new contracts in place at additional cost.

Capital Delivery – Forecast Nil Variance

The Capital Delivery team are reliant on agency staff. Based on current estimates taken from the timesheets submitted the team are forecasting an adverse variance of £1.2m, with significant costs not being capitalised. However, it should be noted that some timesheets are missing or are partially incomplete and this position is therefore likely to improve.

Facilities Management – Forecast (£0.5m) Favourable

A £0.5m favourable variance on salaries resulting from vacancies that have not been filled. These posts will be filled during the year as the team moves to the new town hall.

Non-Operational Investment Estate – Forecast £0.3m Adverse

A £0.8m adverse variance resulting from vacant units and associated business rates costs related to these units and slipped savings relating to the better use of Council assets with rent holidays being given to new Organisations leasing Council properties where it is increasingly difficult and time consuming to

secure new tenants in a post pandemic environment. It is proposed that £0.5m saving relating to better use of assets is charged against the Covid grant reserve, resulting in an adverse variance of £0.3m.

New Town Hall – Forecast £0.4m Adverse

There is an estimated revenue running cost for the New Town Hall from November 2022 and one-off costs associated with the office move totalling £2.4m. There is no budget provision for this cost whilst the Council continues to lease its existing office at Mulberry Place. To mitigate this budget pressure a New Town Hall reserve was created in 2021/22 and £2m set aside to meet these costs. It is assumed that this reserve will be drawn down in year, resulting in a £0.4m adverse variance.

Resources – Forecast Nil Variance – Forecast £0.3m Adverse

The Resources Division is made up of a number of areas including the Strategy, Policy and Improvement team (part of the Enabling Function) budgets, Regeneration projects and the Director's budget.

The revenue costs relating to the Regeneration team are funded from LIF (£0.5m), CIL (£0.1m) and levelling up funding (£0.1m). The CIL and levelling up grant are funding specific pieces of work. The majority of the team costs are met from LIF funding and there is no general fund base budget for the regeneration team. An adverse variance of £0.1m is being forecast against the LIF funding, with the new administration stopping some of the project work. As a result the amount of LIF funding that can be drawn down is insufficient to meet the cost of the team.

The Strategy, Policy and Improvement team are forecasting an adverse variance of £0.2m with the recharge budgets being higher than the forecast level of work that can be charged to the other divisions within the Place Directorate and the HRA.

Public Realm – Forecast £0.8m Adverse

Public Realm is forecasting an adverse variance of £0.8m against budget. This figure is inclusive of a proposed reserve drawdowns totalling £1.7m. An assumption has been made that the Parking surplus will remain in revenue and there will not be a top up of the Parking reserve.

Highways and Traffic Management – Forecast £0.9m Adverse

A £0.1m favourable variance relating from the de-illumination of road signs following the reduction in speed limits and use of LED bulbs for street lighting, resulting in savings following capital investment.

Backdated unbudgeted Electric charging point income for fast chargers is forecast to be received in year, resulting in a favourable variance of £0.1m.

A £0.4m adverse variance on employee related costs. Capitalisation shortfall of £1.1m is being offset by a corresponding underspend of £0.7m on salaries resulting from posts being held vacant and difficulties in recruitment following a service restructure.

Unbudgeted costs of £0.1m for repairs to the Foot tunnel lifts at Greenwich. This represents LBTH's contribution to the cost of these works which will be completed in the current financial year.

A £0.1m under recovery of advertising income resulting from the renegotiation of the main contract for the large panels resulting in a reduction in income. In the future it is forecast that this will be mitigated by the digitisation of other sites.

A projected budget shortfall of £0.5m relating to sunk revenue costs that cannot be capitalised resulting from the TFL capital programme not progressing. The budget reflects funding assumptions at the pre-

covid level from TFL of £2.2m. TFL are withholding funding following uncertainty around the liveable streets programme. In the scenario that TfL released funding to the borough, officers estimate this would be a maximum of c£1m for this Financial Year but even in this scenario, there would be a high risk of not being able to mobilise to spend to that amount by year end.

Balances of £0.1m relating to historic temporary structures income that is over six years old that has past the statute limitations period and historic balances of £0.7m relating to s278 highways rechargeable works were moved to reserves at the end of the previous financial year. It is assumed these amounts will be drawn down and spent in full in 2022/23 on highways related activity.

Further amounts of £0.2m for temporary structures that were received in 2016/17 and have not been claimed back and £0.7m for s278 rechargeable works can also be spent on highways related activities in year.

There is a risk of abortive costs relating to any decisions to reverse the liveable streets capital works for any schemes part completed.

Operational Services - Forecast Nil Variance

Favourable variance of £0.2m from unbudgeted income relating to the sale of recyclable materials.

A £0.2m adverse variance relating to demographic growth and customer behaviour post pandemic which is generating more household waste.

Operational services have received one off growth of £0.4m for enforcement activities. The recruitment to these posts is taking place during the year, resulting in part year costs. It is forecast that any underspend will be transferred to reserves, resulting in nil variance.

The Green team are forecasting to spend an additional £0.1m on replacement trees. This will be funded from CAVAT developer income received in previous years and will have no impact on the outturn position.

Waste Operations (Environmental Services) – Forecast £1.6m Adverse.

A favourable variance of £0.1m relating to third party expenditure resulting from reduced cleaning of Blackwall tunnel. TFL has not instructed for this work to take place post pandemic.

Forecast additional costs of £0.5m for agency and overtime cover during the year within the day to day running of the service. This results from high absence levels within the permanent establishment.

There is an under recovery of income totalling £0.4m for commercial waste. The service has lost customers during the pandemic.

A £0.1m adverse variance relating to the procurement of new commercial waste bins. At present these costs are being charged to revenue. A capital bid is being considered and if successful these costs will be capitalised.

A £0.7m adverse variance relating to unscheduled vehicle repairs, budget shortfall for scheduled maintenance and an increase in the cost of diesel.

The service has received Mayoral Covid-19 recovery funding for use on enhanced street cleansing. It is forecast that £0.1m will be spent and drawn down from reserves in year to meet this additional cost.

Passenger transport – Forecast £0.1m Adverse

Unachievable income target relating to support service recharges. Discussions are ongoing to resolve this pressure with HAC and Children's services but currently remains a pressure.

Concessionary Fares – Forecast (£0.4m) Favourable

Concessionary Fares is projecting a favourable variance for Freedom Passes as a result of fewer TFL journeys being undertaken during the pandemic. The current years calculation is based on the previous two year's average journeys where travel was restricted due to lockdown. This is a one-off saving and although budget was taken, the final settlement was lower than estimated.

Parking services – Forecast (£1.6m) Favourable

The Enforcement service (PCN related income) is expected to exceed budgeted levels as a result of moving traffic cameras, which includes school street cameras. These cameras reduce the overall environmental impact along these roads and increase road user safety and wellbeing. This has resulted in an increase in tickets issued across the borough, generating additional income of £2.3m.

However, this is being offset by pressures on the Parking debt budget where an under recovery against the income target of £1.5m is forecast. This target relates to aged debt cases where the central debt collection team are falling short of the targeted debt recovery levels that they felt were recoverable and therefore budgeted.

Vacant posts within the Enforcement service resulting in an underspend of £0.3m. Staff retention is challenging and when vacant these posts are difficult to fill.

Bay suspension income is forecasting to over recover by £0.5m with demand for the service continuing to be high.

Environmental & Regulatory services – Forecast Nil Variance

The Environmental & Regulatory services have four vacant posts across the Health and Safety, Pest Control, Mortuary Manager and Housing Enforcement services resulting in a £0.1m favourable variance.

There are increasing unbudgeted contract costs relating to the coroner's undertaker and pathology services resulting in a £0.1m adverse variance.

Street Trading – Forecast £0.2m adverse

The Street Trading account is a ringfenced account and is forecasting a £0.2m adverse variance against budget. This variance will need to be met from the General Fund as the street trading reserve has previously been drawn down in full to cover losses in previous years.

During the pandemic the Markets service lost a significant number of permanent and casual traders. Since full reopening, Markets have started to see a slight bounce back in trader numbers, but this has not made up for those lost during the pandemic with lower income levels as a result.

New fees and charges are yet to be implemented and passed on to the traders in 2022/23 whilst lead member approval is sought. Income budgets have been increased to reflect these new charges, resulting in a forecast £0.2m income shortfall.

The Markets service successfully bid for £0.1m funding from the Mayor's Covid Recovery fund for use in developing and training market traders to use an online trading platform. Current forecasts project the spend and therefore drawdown to be split over the current and next financial years (£53k spend in 2022/23).

Growth & Economic Development – Forecast Nil Variance

The Growth & Economic Development division is forecasting to outturn to budget. This outturn position assumes s106 drawdowns from reserves totalling £2.4m for core activities and approved projects across the division. There is also a budgeted reserve drawdown totalling £0.8m to fund the Tackling Poverty team and £0.7m from a number of earmarked reserves for specific activities e.g. Kickstart programme, Residents Support Scheme and ESF Connecting Communities programme.

The cost-of-living crisis is a mayoral priority, and the new administration has approved additional spending of £1.8m at Cabinet. This additional expenditure will also be met from reserves.

The Growth & Economic Development division has received £2.2m of grant funding for specific projects across the Growth and Tackling Poverty teams and a further £6m in Household Support grant for its ongoing Covid response programme.

Employment & Skills – Forecast £0.2m Adverse

Employment & Skills is forecasting to outturn with an adverse variance of £0.3m after s106 drawdowns totalling £1.6m.

The ITRES service has moved to be managed through Matrix, this movement means there is an income target where previously the E&S team would recharge their costs to the service receiving the ITRES agency staff. This income target remains but there is no recharge, resulting in a £0.2m adverse variance. This requires an accounting adjustment and finance staff are working to eliminate this as it is outside the budget manager's control.

A further pressure of £0.1m relating to post regrading following a restructure within the Careers Young Work Path team is being mitigated (formal regrade – should be funded from GF – statutory service 54K). E&S are expecting a recharge arising from the 20/21 Equalities Commission Action Plan to fund a BAME Specific Careers Advisor for a two-year period.

The E&S service operates a number of externally funded programmes that complement mainstream provision and provide additional services that support residents without adding additional pressure on the General Fund, some of these schemes include ESF funded employment support; GLA funded LIFT Digital (tech) Hub; DWP Kickstart Programme; and DWP Local Supported Employment Programme. Funding of these schemes will be from approved s106 drawdowns.

Growth – Forecast (£0.2m) Favourable

The Growth service is forecasting a favourable variance of £0.2m after s106 drawdowns totalling £0.9m. There are a number of projects being undertaken within the service, primarily around thriving highstreets and creative enterprise zones and grant funding will be received in year to support this work.

The £0.2m favourable variance within the Business Growth and High Streets services relates to a number of vacancies (which it is envisaged will be filled during the final quarter of the year) and some posts being budgeted at top of scale but recruited at a lower grades.

Tackling Poverty – Forecast Nil Variance

Tackling Poverty will receive £6m in Covid household support grant in 2022/23. It is forecast that this grant will be spent in full on specific activities on top of the team's core work. There is no general fund budget for the Tackling Poverty team and as a result it is forecast to draw down £0.8m from the Mayor's Tackling Poverty reserve to meet this cost.

The Tackling Poverty team received growth in year of £0.2m for the resident support scheme towards supporting vulnerable residents with energy bills. A further £0.4m is funding the food distribution hub. This growth is being forecast to be spent in full.

The supporting residents through the cost-of-living crisis is a mayoral priority pledge and Cabinet has approved spend totalling £1.8m to support vulnerable residents by way of small direct grants. This will be funded from reserves and is forecast to be spent in full.

The service will also receive £1.7m for the Holiday Activity Fund. £1.4M has been received already and the balance of 0.3M will be received after Christmas. This funds two posts to run the HAF scheme as well funding other running costs, food and activities for children throughout the year.

Continuing Covid-19 response

The Tackling Poverty & Crisis Support team continues to undertake significant work in response to the Covid-19 pandemic, with rules around the resident support scheme being relaxed and through the opening of a food hub and food deliveries to vulnerable and shielding residents. Food vouchers have also been distributed to residents. Eligible residents were identified through the test and trace system. This scheme has now finished.

In 2022/23 the Tackling Poverty team will receive £6m in Household Support grant, (this funds individual grants to residents and organisations supporting vulnerable residents), Residents Support Scheme and administration costs. The allocation of this grant is in two equal tranches of £3m, of which we have received approx. £1m with a further £2m receivable following submission of the October claim. Further claims will be made in January and April 2023. LBTH has allocated this money to vulnerable residents in line with the criteria outlined by the Government. Going forward these payments will be made via the Post Office, rather than via the supermarket voucher scheme contract is being procured with the post office to make the payments, rather than issuing supermarket vouchers as in previous years.

The second tranche of funding must be allocated by the end of March 2023. The Government rules have been relaxed with a focus on food and fuel poverty but the ringfence around specific groups who can receive it have been removed and replaced with a more generic guidelines that focus on families not being supported in other ways by the Government. As residents may receive other payments made by both LBTH and central government during the rest of 2022, it was decided to defer payment of the majority of this support to the first few months of next calendar year. This effectively staggers the support they need across the rest of the financial year.

A Council wide meeting was held to identify vulnerable groups of residents who could be supported by the second tranche of household support grant, for example homeless people and Adult Social Care households with high energy usage medical equipment. The government will also supply LBTH with the list of residents who should be prioritised, as they should not have received prior support.

On top of this funding the directorate has been successful in securing funding from the Mayor's Outbreak Recovery fund for specific projects. In total Growth & Economic Development has received approval for £0.6m of spend across a number of activities including business adaptation grants, (£0.4m for schemes to help small and micro businesses, of which the 50k remains unspent), other small grants (80k) to voluntary bodies and food pantries.

Planning & Building Control – Forecast £0.3m Adverse

The Planning & Building Control service is forecasting to outturn with an adverse variance of £0.3m from its general fund activities, with forecasted planning income being lower than budgeted. This projection includes a drawdown of s106 funding totalling £0.5m to fund posts and activities across the Digital &

Commercial Innovation team, Management team and Infrastructure Planning and £0.6m to fund specific LIF projects. These drawdowns are in line with that budgeted.

The Planning & Building Control service also utilises both Mayoral (MCIL) and Tower Hamlets (THCIL) CIL revenue funding. In 2022/23 the Council is planning to use £0.3m MCIL and £0.6m THCIL which will primarily fund the Infrastructure Planning service. Early forecasts indicate that LBTH will receive enough CIL income to use at these levels.

Building Control Revenue – Forecast Nil Variance

The service has a number of vacant posts which are currently being advertised. The underspend resulting from these vacancies is being offset by a projected under recovery in income against budget.

Development Management – Forecast £0.5m Adverse

There is no net General Fund budget within Development Management, with the service being entirely income funded. The service has a number of vacant posts which will result in a favourable variance of £0.5m. However, this is being offset by cost pressures of £0.1m relating to legal fees for two public inquiries (for which there is no pre-identified budget) and £0.9m shortfall in its planning income target for statutory fees where the volume of planning applications is less than budgeted and experienced in previous years.

Digital & Commercial Innovation - Forecast (£0.1m) Favourable

This favourable variance is the result of vacancies within the newly restructured Digital & Commercial Innovation Unit. It is anticipated that these posts will be filled in the new year, and this represents the part year saving. The service is forecasting to use £48k of s106 funding to meet its costs, this is in line with the budgets.

Planning & Building Control Support Team – Forecast (£0.2m) Favourable

This is a new team created following a service redesign in the previous financial year. These new posts were budgeted at top of scale as they were deemed hard to fill but following a successful recruitment campaign, most of the posts were filled at lower grades resulting in the favourable variance.

Spatial Data Team – Forecast £0.1m Adverse

Income from street naming and numbering is forecasting an adverse variance of £0.1m with the number of applications being lower than budgeted.

Strategic Planning – Forecast Nil Variance

The Plan Making team received growth of £0.4m in 2022/23 towards the cost of producing the new local plan. It is assumed that this growth will be spent in full during the year and the strategic planning service is forecasting to outturn in line with budget.

Wentworth Street High Street Heritage Action Zone – Forecast Nil Variance

The Council received £0.8m grant funding towards the HSHAZ, of which £0.6m remained within Planning & Building Control and the remaining £0.2m was used on projects led by Growth & Economic Development. The grant was received in the previous financial year and the Planning element was only partly spent at year end, with £356k available to spend in year. It is projected that this reserve will be drawn down in year and spent in full.

A further grant (Cultural Consortia grant) of £90k will be received and spent in year on the Wentworth Street High Street Heritage Action Zone.

Infrastructure Planning – Forecast Nil Variance

There is budgeted use of CIL revenue funding of £1.1m and s106 reserve drawdowns of £0.4m towards the running costs of the Infrastructure Planning team. Actual funding is projected to be in line with these budgeted levels. The service is also undertaking specific LIF funded project work, with the projected drawdown of £0.7m from the LIF reserve to meet these costs.

Building Control Trading Account – Forecast Nil Variance

This building control traded account has a favourable variance of £0.1m before reserve drawdowns. This results from vacant posts within the service. A recruitment campaign has taken place but the vacancies are proving difficult to fill. Current projections for income suggest that it is in line with budget. As the Building Control Trading Account is ring fenced it is proposed that this surplus will be transferred to the trading account reserve at year end, resulting in nil variance.

All P&BC income sources fluctuate throughout the year given they are impacted by the fluctuations in the development industry. Pre-application income remains buoyant and is expected to exceed target. Several large-scale planning applications are expected to be submitted during Q3 and Q4, which may reduce the shortfall in statutory planning fees. Income from all sources will be monitored and the position updated in future reports.

Housing & Regeneration – Forecast (£0.3m) Favourable

The Housing & Regeneration division is forecasting a favourable variance of £0.3m. This position includes a number of reserve drawdowns and top ups, resulting in an overall drawdown from reserves of £0.4m (inclusive of £0.2m relating to Luke House and charged against the Covid general reserve).

Housing Options – Forecast Nil Variance

The Housing Options (Homelessness and Rough Sleeping) service is forecasting a breakeven position. This position includes the use of £6.8m of grants (homeless prevention grant £5.9m; Rough Sleeping Initiative £0.9m) and drawing down £0.4m from reserve balances to fund specific activities such as rent incentives, 2017/18 Private Licensed Accommodation rent increase that was not passed on to clients due to its impact on the Housing Benefit subsidy position. Without the use of grant and reserves the Housing Options service would be forecasting a significant overspend.

Homelessness numbers remain high and are continuing to rise since coming out of the pandemic. Current numbers in Temporary Accommodation are 2,794, this compares with 2,568 households at the end of Q1, with an average of 70 additional households going into temporary accommodation each month. Numbers are rising due to the lifting of the evictions ban that has been in place since the onset of the pandemic resulting in the service experiencing an increase in the numbers of private evictions, the cost-of-living crisis resulting in more family exclusions, a loss of private tenancies and a greater number of individuals contacting the service since it has been digitalised.

These high numbers place pressure on the use of expensive nightly booked and bed & breakfast accommodation at additional cost. The cost of B&B accommodation is rising, rooms costing £70-£80 per night with providers who were charging rooms at £35 per night during the pandemic. A lack of move on options in affordable housing within London is increasing this pressure, particularly for larger properties, making it very difficult for the Council to discharge its duty. From April to October Capital Letters offered 46 private rented properties against an SLA target of 204 properties. Private License Accommodation costs and Non-Secure Tenancy costs remain high but are reducing with T.A. clients being moved on in shorter timescales.

The service is embarking on an ambitious transformation programme with the aim of reducing both numbers and costs in Temporary Accommodation. Service redesign is underway to enable more work

to be undertaken upstream to prevent homelessness occurring, bringing homeless people into employment and moving them into cheaper accommodation to reduce the impact on the housing benefit subsidy loss.

Early indicators showed that this process was starting to have an effect, with numbers in T.A. reducing, increases in discharges of duty into Private Licensed Accommodation and a reduction in the business-as-usual use of bed & breakfast accommodation. However, the cost-of-living crisis is increasing demand for the service and the lack of move on options available are negating these benefits. The high demand for the service is resulting in the homelessness service failing to meet its suitability obligations for the first time since 2016, resulting in increasing number of households on the transfer list, increased number of legal challenges, increased usage of commercial hotels and the need to make costly adaptations to self-contained accommodation.

Despite the increase in numbers the transformation work is preventing significant overspend against budget. Before reserve drawdown there is a forecast adverse variance of £0.2m against budget. It is proposed that a drawdown will be made from the Flexible Homelessness Support Grant reserve to mitigate this pressure.

Contained within this position is a favourable variance against the Housing Benefit Subsidy loss budget of £0.3m during the year. The Council can claim back Housing Benefit costs incurred up to 90% 2011 LHA rates. Rents within Tower Hamlets are normally higher than this rate, resulting in the Housing Benefit payment made being higher than the amount claimed back. The service is forecasting £33.1m of housing benefit will be paid out and £26.3m claimed back, resulting in a deficit of £6.7m against a £7m budget. However, 400 cases are currently suspended whilst the DWP are reviewing HB claims and once processed the HB subsidy loss will increase. Any deficit will be managed from grant income and further drawdown from reserves.

The transformation project detailed above is projected to deliver £2m savings. Key officers are in post and policies and initiatives are going live or being programmed. A cabinet report in September highlighted the key elements of the transformation project and main changes. Costs of this transformation work is forecast to be met from base budget and grant in year rather than reserves. This saving is spread over two years with £250k assigned to 2022/23. Early indications suggest that although the transformation work is progressing the saving will slip as a result of additional pressures on the service from the cost-of-living crisis. This pressure will be mitigated in year through the use of grant income and reserves.

Lettings – Forecast (£0.2m) Favourable

Forecast favourable variance of £0.2m resulting from vacant posts. However, the HRA recharge for use of the choice-based lettings service by THH has been recalculated and will result in a reduction of £0.4m recharge income in the general fund. A growth bid has been submitted and additional information requested by MAB SRP. This favourable variance assumes that in year growth is approved.

Energy & Sustainability – Forecast (£0.1m) Favourable

The Energy & Sustainability service is forecasting a nil variance before any reserve adjustments. A drawdown of £0.1m is proposed from the Barkentine PFI smoothing reserve to mitigate a cost pressure, resulting in a £0.1m favourable variance within the Energy & Sustainability service.

The £0.1m favourable variance relates to additional commissioning income from the energy suppliers contracted to the Council. The commission is based on the unit price of energy and recent increases in price has given rise to additional commissioning income.

The Energy & Sustainability team will be recruiting an additional post in year to undertake work on new manifesto pledges around energy efficiency and sustainability. The part year cost of this post is estimated at £40k and will be met from reserves.

Housing Supply – Forecast Nil Variance

Housing Supply is forecasting a nil variance after proposed reserve drawdowns.

S&I Management

The S&I Management Team received growth in year to fund its fire safety team who are undertaking and documenting the results of fire risk surveys on the external walls of privately owned high-rise properties. Delays to recruitment mean that £0.4m of this additional funding is forecast not to be spent in year. It is assumed that this amount will be transferred to reserves at year end for use in 2023/24 and as a result the service is forecasting in line with budget.

There are a number of other small favourable and adverse variances being forecast across the services within Housing Supply which mitigate each other, resulting in a nil variance. For example, there are vacant posts within the affordable housing team which is being offset by an unachievable income target and a small adverse variance in the ALMO client team where the recharge to the HRA is lower than budgeted due to a smaller team.

Ongoing Covid-19 Response

Homelessness and Rough Sleeping are continuing their ongoing Covid-19 response at Luke House. Luke House is B&B accommodation that is being used to house rough sleepers brought from the streets as part of the Government's Everyone In campaign. DLUCH have provided funding for this scheme in 2022/23 with LBTH receiving a total of £839k towards its costs as part of the Rough Sleeping Initiative grant settlement. There will be no funding beyond 2022/23. Forecast spend against this grant totals £1.059m for the year, £0.597m on accommodation costs and £0.462m for support services and staffing. It is proposed that the remaining £0.220m is met from the general covid reserve balance.

Protect & Vaccinate funding totalling £336k was received in 2021/22 of which £237k was carried forward to 2022/23 as it was unspent in the previous financial year. There is a risk that the Council will have to pay this amount back to DLUCH during the current financial year and as a result there are no plans in place for further spend.

Housing have been successful in securing £0.2m of Mayor's Covid recovery funding to fund Health and Wellbeing support workers and to provide services to maintain wellbeing and physical and mental health for households struggling financially with rent payments. There has been no spend against this fund to date.

Forecast £4.6m underspend

Service	2022/23 Net expenditure budget £m	Actuals £m	Forecast Outturn £m	Gross over / (under) spend £m	Transfer to / (from) reserves £m	Forecast over/(under) spend £m
	A		B	C = B - A	D	= C + D
Corporate Costs	22.7	13.3	18.8	(3.9)	(0.7)	(4.6)
Total	22.7	13.3	18.8	(3.9)	(0.7)	(4.6)

A forecast underspend of £4.6m for Corporate costs is reported for this period, following a requested drawdown from the Covid non-ringfenced grant reserve of £0.7m for cross-directorate savings achievement impacted by the pandemic.

Please note that the Collection Fund (Business Rates and Council Tax income) for 2021-22 is still to be finalised and audited. It is estimated that c£10m will be requested for drawdown from the Collection Fund Smoothing Reserve in 2022-23 to fund deficits including through the government's Tax Income Guarantee (TIG) compensation scheme and business rates relief grants. A reserves movement, approved by the CFO, will be processed in 2022-23 to transfer £13m from the Collection Fund Smoothing Reserve to the Risk Reserve, following changes in 2020-21 and 2021-22 including the removal of the Material Changes in Circumstances (MCC) appeals provision for business rates in 2020-21 (following the Rating (Coronavirus) and Directors Disqualification (Dissolved Companies) Bill which prevents MCC appeals based on the impact of the Coronavirus pandemic).

Pay inflation budget held centrally – forecast £6.4m adverse

A pay inflation budget of £4m is held centrally for the 2022-23 pay award increase (originally based on a 2% increase). The 2022-23 pay award has now been agreed by the National Joint Council (NJC) as a fixed amount increase of £2,355 for each full-time post (gross salary before employer on-costs). This results in an increased cost of £10.4m across the Council's General Fund budgets (including employer on-costs), demonstrating an overspend pressure of £6.4m. The 2023-26 refresh of the MTFS will allow for the increased pay inflation budget requirement.

Cross-Directorate Savings – forecast £2.9m Adverse

Cross-directorate savings of £3.553m are held corporately.

Covid non-ringfenced grant reserve is requested to fund Covid related savings slippage and underachievement of £0.652m, being Greater Commercialisation (£0.281m) and Review of Printing/ Scanning/ Use of Multi-Functional Devices (£0.371m).

The third year of the previously re-profiled contract efficiency savings are considered to now be unachievable due to inflationary pressures on contract negotiations and procurements and therefore £1.950m is requested to be written off in the 2023-26 MTFS.

There are “Change of working hours and use of Flexible Retirement schemes” savings of £0.490m in 2022-23 which are at risk of non-delivery following the achievement of £0.110m savings through the application by staff to take up the offer of flexible partial retirement.

There are “Local Presence/Contact Centre Review” savings of £0.461m remaining from the work to shift customer access to ‘digital by default’ to reduce demand and consolidation of high volume telephone contact into the contact centre. Pest control services will achieve £0.007m savings through the Customer Relationship Management (CRM) system which will give customers the ability to book pest control appointments online and this will free up time for the officers to maximise income generation. Further savings were aimed to be achieved in Housing Options Service through a new homelessness self-referral form that went live in May, however the volume of applications and related eligibility checks has increased. The cost of living crisis has increased demand and therefore £0.454m of savings are not achievable and are requested to be written off in the 2023-26 MTFS.

There are “Review of Printing/ Scanning/ Use of Multi-Functional Devices (MFD’s)” savings of £0.371m which are aimed to be achieved through a hybrid mail solution for outward mail. Work is underway to confirm the level of cashable savings that will be achieved from the Royal Mail contract, One Source, franking machines and some of the mail room staffing costs. Slippage in 2022-23 of the £0.371m saving while contract and staffing changes are effected, is requested to be offset through the Covid non-ringfenced grant reserve.

There are “Greater Commercialisation” savings of £0.281m to be achieved through increased venue hire, including in facilities management, Idea Stores, Community Hubs and at arts and parks centres and sports pitches. Improvements have been made to the venues and events website (Tower venues) and a new payment and booking system is being implemented to improve customer experience and increase bookings in future years. This saving has been impacted by the pandemic and therefore £0.141m of the remaining saving is viewed as unachievable and is requested to be written off in the 2023-26 MTFS (together with the £1m planned further saving in 2024-25). The 2022-23 savings slippage and unachievable savings of £0.281m are requested to be offset through the Covid non-ringfenced grant reserve.

Recharges to ringfenced funding areas review carried out in 2021-22 – forecast £1.7m Adverse

An overspend pressure of £1.7m for the General Fund has arisen from a review of recharges, from directorates and corporate support recharges, to ringfenced funding areas and trading accounts and to Community Infrastructure Levy (CIL) and Section 106 funding due to reduced income receipts for the Council. This pressure will be considered for budget correction as part of the MTFS refresh for 2023-26.

Redundancy, Severance and Early Retirement – forecast (£1.0m) Underspend

It is currently forecast that costs in 2022-23 will demonstrate a £1m underspend against the £2.45m budget for redundancy, severance and early retirement pension strain costs. The corporate budget only funds redundancy costs where these relate to achieving savings agreed in the medium term financial strategy (MTFS).

Pension Fund deficit repayment – forecast (£1.0m) Underspend

Forecast underspend against the budget allowed of £12.8m for the payment to the Pension Fund to meet the deficit estimated by the actuary.

Corporate income – forecast (£2.5m) Underspend

Forecast overachievement of income of £2.5m against Corporate income budgets including allocated miscellaneous income from cash suspense.

Corporate contingency budget to cover unforeseen circumstances – forecast (£3.1m) Underspend

There are currently no commitments against the contingency budget of £3.1m.

Treasury Management – forecast (£8.0m) Underspend

A forecast underspend on the borrowing costs budget due to significant slippage in the capital programme and a short-term benefit in 2022-23 from the internal borrowing cost for the new Town Hall not taking effect in the accounts until 2023-24. The Minimum Revenue Provision (MRP) internal borrowing cost for 2022-23 is estimated at £7.4m (excluding PFI and finance lease adjustments) and circa £4.9m will be funded by the rental income earned through the property buyback programme in Place directorate.

The forecast interest and dividend income in 2022-23 is £2.5m, which is above the budget of £2.3m, mainly due to the continued rise in interest rates by the Bank of England, but continues to be lower than pre-pandemic levels.

Forecast overspend of £3.9m before contribution from reserve

Service	Budget £m	Actual YTD £m	Year End Forecast £m	Forecast over/(under) spend £m
Housing Revenue Accounts (HRA)	(3.5)	(45.9)	0.4	3.9
Total	(3.5)	(45.9)	0.4	3.9

The Housing Revenue Account is forecasting an adverse variance of £3.9m when compared with budget. It is assumed that a reserve drawdown will be made from HRA general reserve balances to mitigate this pressure, resulting in nil variance.

Delegated Budgets – Forecast £0.9m Adverse

The Delegated budgets cover income and expenditure where LBTH retain ownership of the budgets but delegate management responsibility to THH. The net Delegated budgets for 2022/23 is an income of £64.8m. The delegated budget for period 6 is forecasting a year end adverse variance of £0.9m against this budget.

Income - £1.4m favourable

Leaseholder Service Charges are forecasting a £1.5m favourable variance. Currently income is projected to exceed the budget due to an increase in the cost of energy, with this additional charge being passed on to Leaseholders. Although the budget was inflated, recent price increases have exceeded the level of inflation applied. An assumption has been made that these costs will not be recovered from tenants. The forecast will be revised in future months if the decision is taken to pass on the costs.

A forecast adverse variance of £0.1m relating to Leaseholder Admin charges. The HRA receives an admin fee for each Right to Buy sale completed. The number of Right to Buy sales is forecast to be lower than budgeted and therefore there is a shortfall in income.

Expenditure – Forecast £2.3m Adverse

The NNDR budget is projecting a favourable variance of £0.1m against budget. This is based on the outturn position over the past three years and will be monitored in future months as actual costs become known. There have been no costs posted in the current year to date on which to base the forecast.

The repairs & maintenance budget is forecasting a favourable variance of £1.5m despite increases in the cost of labour and materials due to the slow delivery of the great places programme following the re-letting of a number of contracts and the contractor fulfilling legacy contract works that remain outstanding from the previous year. Favourable variances are forecast against lift adaptations, gas services and door, CCTV and aerial maintenance where works are lower than budgeted levels.

The HRA is forecasting an unbudgeted energy cost pressure totalling £2.6m for gas and electricity in 2022/23. These costs are partly recoverable from leaseholders where they relate to communal areas and the additional income has been reflected separately in this forecast above.

A £0.5m adverse variance relating to insurance costs with an 8% index linked cost increase for 2022/23. This increase is higher than was built into the budget. Early indications are that the increase could be as high as 20% in 2023/24 and will need to be factored into both the HRA business plan as part of the budget setting process.

The Concierge service is forecasting an adverse variance of £0.2m with additional security costs (waking watch) at Latham and Anglia Houses and Maltings & Brewster due to fire safety concerns.

Dame Collet & Poplar Baths PFI costs are forecasting an adverse variance of £0.1m as a result of the BCI inflation rate applied to the maintenance costs of the buildings being greater than the inflation built into the budget.

A £0.5m adverse variance relating to the abortive costs incurred at Gill Street after a decision was taken not to progress this capital project.

There are no other material variances on the other budget headings delegated to THH to manage.

Management Fee – Forecast £0.4m Adverse

This adverse variance relates to the pay award which is not built into the base budget for the management fee.

Non delegated budgets – Forecast £2.6m Adverse

Non-Dwelling rental income (shops, community buildings and other operational buildings) is forecasting to exceed budgeted levels by £0.1m. A conservative budget was set to reflect the cost of living crisis with fewer void properties and higher income collection rates being forecast.

Three years of business rate charges for void commercial properties have been recharged to the HRA in year resulting in an adverse variance of £1.3m.

Support service recharges are forecasting an adverse variance of £0.4m as a result of a revised calculation for the lettings recharge and an above budget forecast for the asset management recharge where the service employs significant numbers of agency staff at high cost that provide services to the HRA.

Insurance and business rates recharges have been forecast in line with budget. However, no costs have been posted to date and there is therefore a risk that costs will exceed budget once known.

A forecast adverse variance of £0.7m for insurance recharges following a major fire at Hadleigh House. Costs relating to the explosion at Bentworth House will be recharged from 2023/24 onwards.

A £0.3m forecast adverse variance relating to unbudgeted costs for the penalty payments for the early repayment of the LOBO loans.

There are a number of other budgets against which forecasts cannot be made at this stage. These include salary capitalisation, depreciation charges, item 8 calculation and Minimum Revenue Provision. No costs have been posted to date against these budgets that total £27.8m and assumptions have been made that the actuals will outturn in line with budget. There is therefore a risk that significant variances could be incurred by the HRA late in the year once these costs are known.

The table shows forecast pressures on 2022/23 General Fund and Earmarked Reserves balances and how this might be managed by means of utilising earmarked reserves.

£m	Balances as per updated outturn 31 March 2022*	Forecast contribution to / (from) Reserve	Forecast balance 31 March 2023
	£m	£m	£m
GF balances (general reserve)	23.8	(3.1)	20.7
	23.8	(3.1)	20.7
Earmarked reserves consist of:			
Earmarked reserves with restrictions			
Insurance	10.2	(0.4)	9.8
Parking Control	6.1	0.0	6.1
Collection Fund Smoothing**	51.0	(23.0)	28.0
Free School Meals Reserve	4.0	(1.0)	3.0
Public Health Reserve	7.0	(1.0)	6.0
Revenue Grants Unused	10.1	(1.1)	9.0
COVID 19 grant	8.4	(2.5)	5.9
Local Elections	0.9	(0.7)	0.2
CIL***	5.8	(1.1)	4.7
BAME Inequalities Commission	1.0	0.0	1.0
Covid Recovery Fund	2.1	(0.2)	1.9
HA&C Joint Funding Agreements	12.4	(12.4)	0.0
Earmarked reserves with restrictions – Subtotal	119.0	(43.4)	75.6
Earmarked reserves without restrictions			
Risk Reserve	2.2	13.0	15.2
Transformation Reserve	3.6	(0.4)	3.2
ICT Reserve	9.1	(1.1)	8.0
Mayor's Tackling Poverty Reserve	3.4	(0.8)	2.6
Mayor's Priority Investment Reserve****	5.0	32.7	37.7
New Homes Bonus	44.2	(35.0)	9.2
Services Reserve	18.5	(9.7)	8.8
Earmarked reserves without restrictions - Subtotal	86.0	(1.3)	84.7
Total Earmarked Reserves	205.0	(44.7)	160.3
Total GF and Earmarked reserves	228.8	(47.8)	181.0

* updated 31 March 2022 position from provisional outturn 2021/22

**The Collection Fund Smoothing Reserve is restricted in its use as it is solely intended to deal with surpluses and deficits that arise on an annual basis in the collection fund

***The CIL (Community Infrastructure Levy) reserve balance only includes revenue related CIL monies held within earmarked reserve and not capital CIL monies

****The Mayor's Priority Investment reserve has been increased by £35.0m from the New Homes Bonus reserve to fund manifesto pledges

The table shows the 2022/23 forecast outturn position for the Housing Revenue Account, Dedicated Schools Grants and Capital Usable Reserves.

HRA and DSG reserves	Balances as per updated outturn 31 March 2022*	Forecast contribution to / (from) reserves	Forecast balance 31 March 2023
	£m	£m	£m
Housing Revenue Account (HRA)	52.5	(3.9)	48.6
Dedicated Schools Grant (DSG)	(14.7)	0.6	(14.1)
Capital Grants Unapplied	195.0	(27.6)	167.4
Capital Receipts Reserve	136.1	(10.3)	125.8
Major Repairs Reserve (MRR)	5.1	(5.1)	0.0
Total Other Reserves	374.0	(46.3)	327.7

* updated 31 March 2022 position from provisional outturn 2021/22

Outside of reserves, the Council holds significant Developer Contributions (£106) to fund Capital Expenditure. These are held as creditors/receipts in advance on the balance sheet as they have to potentially be repaid if not used for a specific purpose. The total balance as at 31 March 2022 was £109.3m and the total is forecast to be £90.7m at 31 March 2023.

The **Housing Revenue Account (HRA)** is not a separate fund but a ring-fenced account of certain defined transactions, relating to local authority housing, within the General Fund.

The **Dedicated Schools Grant (DSG)** is a ring-fenced specific grant that supports local authorities' Schools budget. Funding is allocated through four funding blocks, the Schools Block, the High Needs Block, the Early Years Block and the Central Schools Services Block.

The **Capital Grants Unapplied** reserve includes grants, S106 monies and Community Infrastructure Levy (CIL) payments received by the council with varying degrees of conditions on spend, which are utilised to fund capital projects and where expenditure is capital by nature and these reserves have been allocated where possible as part of the current 2022-25 General Fund and HRA approved capital programmes.

The **Capital Receipts** reserve includes capital receipts generated by the council (including HRA Right-to-Buy receipts) which are also utilised to fund capital projects and where expenditure is capital by nature and these reserves have also been allocated as part of the current 2022-25 General Fund and HRA approved capital programmes.

This section shows the amount of money we have collected from tax payers of the borough, and the split between the amount that is retained and the amounts paid over to central government and the GLA.

NNDR Business Rates

We are expected to collect £430m in 2022-23 for total Business Rates income (30% retained by the Council and 37% passported to the GLA and 33% central government), excluding business rates supplement. Collection levels continue to be impacted by the Covid-19 pandemic and could be further impacted by cost of living pressures.

There is a provisional (subject to audit) accumulated Business Rates Collection Fund deficit to the end of 2021-22, of which the estimated Council share is £31.6m (partially funded through government grants for business rates reliefs). The Council is utilising its Collection Fund Smoothing Reserve to align the government grant funding of business rates reliefs with the timing of deficit payments over the three-year period 2021-24.

The accumulated deficit continues to include a significant loss allowance (bad debt provision) for potential non-payment of debts to the Council at £4.6m, to allow for the potential impacts of cost of living pressures and the pandemic.

To the end of Period 6, we have collected £251m of £444m billed (56.6% in-year collection rate) compared to 53.0% for 2021-22, which is an improvement on 2021. This includes collection of the Business Rate Supplement (BRS) for the London Crossrail development. The Covid-19 Additional Relief Fund (CARF) reliefs have now been allocated to business rates accounts and this has contributed to the increase in collection.

Council Tax

We are expected to collect £167m in 2022-23 (both GLA 26% and Council 74% shares). Collection levels continue to be impacted by the Covid-19 pandemic.

There is a provisional (subject to audit) accumulated Council Tax Collection Fund deficit to the end of 2021-22, of which the estimated Council share is £4.3m. There is a loss allowance (bad debt provision) of £13.3m to allow for the potential impacts of cost of living pressures and the pandemic.

The Covid-19 pandemic reduced the collection rate and increased significantly those claiming benefits including through the Local Council Tax Reduction Scheme (LCTRS). The cost of the LCTRS scheme rose from £26.7m in 2019-20 to £31.6m in 2020-21. The level of claimants has reduced slightly from the increased pandemic level (£32.7m cost in 2021-22 which includes the effect of the annual Council Tax increases). The 2022-23 forecast at Period 6 is £31.4m. The level of claimants has reduced from 29,989 (end of 2021-22) to 28,851 (end of Period 6).

For total Council Tax income (both retained by the Council and passported to the GLA) the collectable budget for 2022-23 is £167m.

To the end of Period 6 we collected £79m of the £167m Council Tax bills raised (47.2% in-year collection rate) compared to 45.7% for the same period in 2021-22, which is an improvement on 2021 but lower than pre-pandemic collection levels. Future years' collection rates could be negatively affected by wider economic impacts being experienced by residents (including inflationary and market pressures on employment, energy and food costs).

The Council is actioning the government's energy rebate scheme, administering the payment of £150 to Council Tax payers. As at the end of September, 60,278 (68.5%) of 88,025 eligible residents have been paid.

Overall Position

The Council's investment at the end of September 2022 was £241.8m (a decrease of £34.6m from June 2022) and a decrease of 35.1m from previous month). Capital loss from strategic and cash pooled funds was £5.5m. External borrowing was £68.709m and no new borrowing is forecast in 2022/23.

The 2022-23 budget for investment income is £2.27m and the forecast income of £2.5m is based on expected cash levels throughout the year and expected dividends from pooled funds. This income is higher than 2021-22, mainly due to the continued rise in interest rates by Bank of England. However, a further fall in capital value of strategic and cash pooled fund is still expected due to the impact of inflation, impact of continued Ukraine/Russia conflict impacting global markets and UK October mini budget which has since been overturned.

Income Position

The yield of the internal portfolio increased by 0.89% to 1.75%. The yield was helped by recent Bank rate rises and therefore increased rates on new fixed bank and DMADF deposits contributing an average of 1.9%. The income returns of the entire portfolio, including the Council's external investments, was 2.85% and the total return of the entire portfolio was -0.42%. Capital losses on externally managed cash plus and strategic funds were -3.83% and -10.00% respectively.

Benchmarking

According to the 2022-23 Quarter 2 benchmarking information received from our advisors, Arlingclose Ltd, our average income return of 2.85% outperformed a group of sixteen London councils (2.00% average income return) and outperformed against 121 national local authorities (2.06% average income return).

The Council's return on internally managed treasury investments of 1.75% performed slightly below a group of sixteen London councils by 0.06% and performed better by a group of 121 national by 0.03%. We are continuing to look at alternatives that retain and protect the capital value of our investments while maximising income return.

Liquidity

13% of funds are available within 7 days ensuring adequate cash is available to meet daily expenditure payments. 62% of funds are available within 100 days of maturity.

Inflation

Consumer Prices Index (CPI) rose by 10.1% in the 12 months to September 2022, up from 9.9% in August and returning to July's recent high. On a monthly basis, CPI rose by 0.5% in September 2022, compared with a rise of 0.3% in September 2021. Rising food prices made the largest upward contribution to the change in CPI annual inflation rates between August and September 2022. The continued fall in the price of motor fuels made the largest, partially offsetting, downward contribution to the change in the rates.

The Bank of England's Monetary Policy Committee (MPC)'s central case for CPI inflation suggests that The UK expects to peak inflation towards the end of 2022. After peaking at roughly 11%, the Committee expects pressure on CPI inflation to dissipate as prices fall back and energy price inflation declines more rapidly. Especially as the weakening economy leads to falling demand and earnings growth in the second half of next year. The forecast suggests that CPI inflation will fall to around 5% by the end of 2023 before falling to the 2% target by 2024.

The MPC's forecast GDP to continue to fall through 2023 and into the first half of 2024 as higher energy costs and weakening financial conditions weigh on spending. The forecasts differ from previous UK recessions as the expectation is that GDP remains weak relatively to pre-recession levels for a prolonged period but that the recession will be quite shallow.

The Bank of England raised the official Bank Rate by 0.75 percentage points on the 3rd of November 2022 to 3%. The majority of the Committee agreed that while further increases in Bank Rate may be necessary (should the economy follow the latest forecasts), they are likely to be at a lower peak than the levels priced in by the financial markets. Considerable uncertainty remains surrounding the outlook and the Committee noted its commitment to acting decisively to bring down inflation should it prove to be more persistent than forecast. The Committee remains concerned about inflation but sees the path for Bank Rate to be below that priced into markets.

Market expectations is that the MPC will slow the rate of increase of Bank Rate at the next few meetings. The Council's Treasury Adviser Arlingclose now expects Bank rate to peak at 4.25%, with a further 50 percentage points rise in December and smaller rises in 2023. It is expected that once inflation has fallen from the peak, the MPC will cut Bank Rate while gilt yields are expected to remain broadly steady despite the MPC's attempt to push down on interest rate expectations. Without a weakening in the inflation outlook, investors will price in higher inflation expectations given signs of a softer monetary policy stance.

Global inflation continues to remain elevated, largely driven by increasing energy prices as a result of the war in Ukraine and subsequent reaction of Russia to sanctions. GDP forecast have contracted by 0.5% in Q3 2022 which is weaker than originally expected in the August report. Part of this weakness is reflective of the additional bank holiday implemented for the Queen's state funeral but is primarily driven by weakness in underlying output as a result of falling real incomes (and subsequent falls in spending) on the back of higher prices for energy and tradeable goods.

Global GDP growth has slowed and is projected to remain weak in the near term. Consumer price inflation in the euro area and US remains elevated but an easing of global bottlenecks and the fall in commodity prices should help to reduce global inflationary pressures. Many central banks have continued to tighten policy and market pricing suggests that policy rates will rise further. Global equity prices have fallen and spreads on corporate debt have widened. Overall financial conditions have tightened further.

Security

The time-weighted average credit rating remains at AA with the portfolio's average credit rating of AA- remains at par with other London Boroughs and local authorities.

The Council invested in a total of 22 counterparties while the average across other London Boroughs and local authority universe was 13 reflecting diversification across council's investments higher than average.

Borrowing

The Council has Public Works Loan Board (PWLB) loans totalling £51.2m and fixed rate bank loans totalling £17.5m.

There is a forecast underspend on the borrowing costs budget due to funding of capital program with existing cash resources in the short term.

Target for year £11.8m

£5.8m savings to be delivered

Services	£m					
	2022/23 Target	Prior Year Slippage	Saving Target	Forecast Savings	Slippage	Under Recovery
	A	B	C = A + B			
HA&C	1.3	0.2	1.5	1.5	0.0	0.0
Children and Culture	1.6	0.4	2.0	1.4	0.1	0.5
Place	1.0	0.6	1.6	0.4	0.5	0.7
Resources	0.2	0.4	0.6	0.5	0.1	0.0
Chief Executive's Office	0.0	0.1	0.1	0.0	0.0	0.0
All	2.9	3.1	6.0	2.0	0.5	3.5
Total	7.0	4.8	11.8	5.8	1.2	4.7

Total savings target for 2022/23 is £11.8m (£7.0m relates to approved savings as part of the 2022/23 budget setting process, and £4.8m as a result of previous years' savings not delivered, which have been re-evaluated since the last report).

- £5.8m is identified as being on track to deliver savings;
- A net position of £1.2m is forecast to slip into future years due to timing issues;
- £4.7m has been identified as unachievable

Please refer to 'Appendix B – Summary MTFs Savings Tracker 2022-25' for a detailed breakdown and latest updates on savings programme.

General Fund (GF) Forecast spend £114.0m, Net Slippage £58.6m and Net Underspend £0.2m

General Fund (GF) Capital Forecast Report

General Fund Programme	Directorate	Revised Budget £'m	Actual Amount spent to date '£m	Current Forecast £'m	Forecast vs Revised Budget Variance £'m
Approved Programme	Children & Culture	48.2	10.9	31.5	(16.7)
	Health, Adults & Community	14.2	1.4	9.4	(4.8)
	Place	60.1	18.1	48.2	(11.9)
	Resources	7.3	0.0	1.2	(6.1)
Approved Programme Total		129.9	30.3	90.4	(39.5)
Approved Rolling Programme	Children & Culture	6.3	0.9	3.9	(2.4)
	Health, Adults & Community	0.3	0.0	0.0	(0.3)
	Place	9.4	1.9	8.6	(0.8)
	Resources	3.5	0.0	2.2	(1.3)
Approved Rolling Programme Total		19.5	2.8	14.7	(4.8)
Invest to Save Programme	Place	15.0	3.6	8.5	(6.5)
Invest to Save Programme Total		15.0	3.6	8.5	(6.5)
LIF Programme	Place	8.5	0.1	0.3	(8.2)
LIF Programme Total		8.5	0.1	0.3	(8.2)
Grand Total		172.8	37.0	114.0	(58.8)

Introduction

On 11th July 2022, The revised General Fund capital budget for 2022/23 was set at £172.8m. The current forecast year-end General Fund capital expenditure for the year is £114.0m, which represents 66% of the revised 2022/23 capital budget. Services have forecast a total net underspend of £0.2m and net budget slippages of £58.6m, resulting in a forecast year-end variance of £58.8m. The spend to date is £37.0m, representing 21% of the revised budget.

Following the election of a new administration in May 2022, a comprehensive refresh of the General Fund capital programme is underway. The key purpose of the review is to ensure the programme aligns with the council's strategic priorities which are translated from the Mayor's vision and the new administration's manifesto. The refresh will include a review of the existing priorities for the capital programme across the various directorates to ensure clear integration with the current needs of the borough and its residents. Whilst the review is ongoing, the timeframes for delivery may be extended, having an impact on delivery and spend forecasts across all directorates. The outcomes of the capital programme refresh will be factored into the budget setting process for the 2023-26 General Fund capital programme, which will be presented to Full Council for approval in March 2023.

The details of the report are set out below –

Approved Programme

General Fund Programme	Directorate	Revised Budget £'m	Actual Amount spent to date '£m	Current Forecast £'m	Forecast vs Revised Budget Variance £'m
Approved Programme	Children & Culture	48.2	10.9	31.5	(16.7)
	Health, Adults & Community	14.2	1.4	9.4	(4.8)
	Place	60.1	18.1	48.2	(11.9)
	Resources	7.3	0.0	1.2	(6.1)
Approved Programme Total		129.9	30.3	90.4	(39.5)

The 2022/23 revised budget for approved programme is £129.9m. The projected expenditure for the approved programme is £90.4m, (70% of the revised budget) resulting in a net slippage of £40.0m and overspend of £0.5m; resulting in a total year-end forecast variance of £39.5m. The actual spent to date is £30.3m, representing 23% of the revised budget.

Children's and Culture

The 2022/23 revised budget for the Children's and Culture approved programme is £48.2m. The programme is forecast to spend £31.5m, (65% of the revised budget) resulting in a net slippage of £16.0m and underspend of £0.7m; resulting in a total year-end forecast variance of £16.8m. The actual spent to date is £10.9m, representing 23% of the revised budget.

The major programme under Children's Directorate is the Schools Basic Need and Expansion programme with a total revised budget of £40.1m for the year, current year-end forecast is spend of £27.7m as a consequence of £11.7m of net slippage and £0.7m of net underspend. This results in a total forecast year-end variance of £12.4m. Within this programme there are several large schemes currently under way and in the early stages.

It is forecast that the full 2022/23 £17.0m (Spend to date is £4.7m) budget allocation for the London Dock Expansion programme will be spent in year. However, this full spend is dependent on energy supply and main contract agreement being signed between the Council and the developer with the agreement from Department for Education (DfE). The plan is to procure materials (fabric, mechanical and electrical) to mitigate against price increases after signing these agreements. Due to a number of issues including, inflationary costs pressures, a delayed project start, issues around the lease and source of funding; material, energy, and supply chain price increases coupled with labour shortages, the cost to deliver this project has increased by £2.1m, which is expected to be an overspend in 2023/24, in alignment with the anticipated completion date of February '24.

Wood Wharf school project has an approved budget allocation of £5.5m for 2022/23, the project is forecasting full spend at year end (spend to date is £1.8m). The project is in delivery phase (construction) and nearing completion, hence it is anticipated increased costs will be incurred from now until year-end. It is anticipated the contractor will hand over the completed school site back to the council by latest March 2023 and the council expects the budget for this year to be fully spent. The risk to achieving the full spend is unanticipated onsite delays.

The Raines Foundation school scheme project is complete, the existing remaining budget is anticipated to be assigned to the new Oaklands school project (£4.3m), which is currently at feasibility stage and expected to conclude by latest November 2022. Thereafter, there will be a feasibility options review

required (which will need to include a full project cost appraisal) to determine the best course of action moving forward.

The 'Arnhem Wharf - Damp Permanent Resolution' project, with a budget allocation of £3m, is forecast to slip £2.8m into future years. The project managers have instructed additional water level and soil contamination tests to be carried out which is aimed at further outlining the requirements of remedial works needed. If additional works are required to safeguard the site, costs and budgets may need to be reviewed. The project is also currently being assessed by the Department for Education (DfE) for possible adoption as part of the school rebuilding programme. If selected, the project will be picked up and funded by central government thus releasing the fund into the pool to be recycled.

Beatrice Tate Special school expansion project budget of £1.7m is forecasting a slippage of £1.5m into future years. This project is delayed due to design reconstitution and preparation of stage 4 tender pack. The current forecast £0.2m represents design and other fees. Budget is expected to slip into 2023/24 when majority of project spend will be incurred. The main project works is expected to be on site from May 2023.

George Green/West Ferry school re-build project with an approved 2022/23 budget allocation of £3m is forecast to spend £1.3m in year and slip £1.7m into future years (spend to date £0.5m). The slippage is due to procurement delays and changes to the project design due to the adoption of DfE design framework. The project is currently in detailed discussion with Council's planners and Transport for London (TFL), subsequently, a further rationalisation of the programme may be required.

George Green's 6th form expansion project is forecast to underspend by £0.7m against a budget allocation of £0.7m. The main 6th form expansion works is now completed. There are final costs expected in 2022/23, which are yet to be finalised, for remedial works required for drainage works. Works consist of digging up and reinstalling the drainage pipe into the inspection chamber at a lower level as directed by Thames Water. As the funding is basic need grant, it is anticipated that the underspend will be re-allocated to new/alternative education Basic Need project(s) within the Education capital programme.

The other significant programme under Children's Directorate is the Parks programme with a total revised budget of £6.2m for the year, current forecast against revised budget is spend of £3.6m, this would result in a £2.6m slippage at year-end. Within this programme there are several smaller schemes.

Quality Parks projects with a budget allocation of £1.5m is forecasting a spend of £0.6m this year and forecast to slip by £0.8m into future years. Quality Parks projects which were initially planned to end in 2023 have now been extended to 2025, which is now reflected in the forecast spend being reported for the projects. As the capital programme is being reviewed, the projects' budgets and forecasts will be kept under review and there is a risk that the forecast may change depending on the outcome of the refresh.

Ford square and Cavell Street gardens project with a budget allocation of £0.7m is forecasting full spend at year-end, spend to date is £nil. The project is expected to be completed in February 2023 and therefore spend is anticipated in the last half of the financial year.

Christ Church gardens is another Park's programme project with a budget of £0.5m, it is forecasted to slip by £0.4m into future years. The original plan was to procure a design team last autumn, with an anticipated completion of works over the year. However, the Community Advisory Group in charge of the project have decided to make more modest changes and to resume the procurement process at a later date. As the capital programme is being reviewed, the projects' budgets and forecasts will be kept under review and there is a risk that the forecast may change depending on the outcome of the refresh.

Victoria mini golf project is forecasting slippage on the majority of its budget allocation of £0.4m as the project has been paused due to ongoing capital programme review.

The remaining net total slippage of £0.8m in the Parks programme is from a number of various other smaller projects within the theme, where spend profiles have been revised based on latest project plans. Within the Children's Directorate, Leisure centre improvement projects within the Culture programme have a budget allocation of £1.8m for the year, this budget is anticipated to be fully slipped into future years as the project team is yet to be constituted.

Health, Adults and Communities (HA&C)

The 2022/23 revised budget for the Health, Adults and Communities Approved programme is £14.2m. The projected spend for the programme is £9.4m, (67% of the revised budget) resulting in a net slippage of £4.8m. The actual spent to date is £1.4m representing 10% of the revised budget.

The majority capital projects in the HA&C Directorate, which had earlier paused due to the pandemic, have been largely reinstated. Projects in the approved programme are monitored via the HA&C Capital Oversight Group, which meets monthly.

Public Health projects with a revised budget allocation of £7.4m, with a year to date spend of £0.1m, are forecast to spend £7.0m by the end of the year, resulting in a slippage £0.4m. Most of the projects within Public Health were executed by NHS and completed. The low year to date spends is because the NHS are yet invoice for works completed to date.

The key projects that have contributed towards the forecast net slippage are Sewardstone Road and Norman Grove which have revised budgets of £1.2m and £1.4m respectively for 2022/23. Construction on Sewardstone Road, a project to refurbish the first floor of 130 Sewardstone Road into self-contained accommodation for residential care units for clients with learning disabilities, was due to commence in July 2022 but has been delayed due to difficulties in appointing and agreeing a price with the contractor. Works are now expected to be completed by February 2023. Norman Grove, a project to demolish and existing building and provide 17 new affordable homes for young adults, is part of the Housing Norman Grove project, which was anticipated to complete in October 2023, and is now scheduled for completion in mid-2024, as part of the wider site development. Forecast spend profiles have been revised based on latest project plans.

Protective security project is forecasting to fully slip it's budget in-year budget allocation of £0.3m into future years. This is due to delay in signing the legal agreement with Transport For London (TFL).

Transformation of CCTV system project with a budget of £3.4m is on-going and is forecast to slip £0.9m into next year. This includes the relocation of the CCTV control room which is scheduled to complete by March 2023 at the latest.

Funding has been approved for Changing Places Projects. Round 1 funding consists of two projects, one at Bow Street Idea Store, due to complete winter 2022/23 (£65k), and a second location yet to be determined. The total funding was £104k from Levelling Up and £20k s106. A further bid submission has been made for £125k to provide a further two changing places toilets, with confirmation expected early in the New Year on success on the bid process.

There were additional capital growth projects which were approved by Full Council on 2nd March, subject to sign off through the council's capital governance process and agreement to proceed given by the Corporate Director of Place in consultation with the Corporate Director of Resources. The 'Day Provision – Antill Road' project (budget of £0.5m in 2022/23) is yet to progress through the council's capital governance process, hence for period 6 monitoring purposes, a nil forecast has been made against

this project for 2022/23 as it is not yet live, this will be kept under review throughout the year, and forecasts updated accordingly.

Place

The 2022/23 revised budget for the Place approved programme is £60.1m. The forecast spend for the year is £48.2m, (80% of the revised budget) resulting in a net slippage of £13.4m and net overspend of £1.5m; total year end variance is £11.9m. The actual spent to date is £18.1m representing 30% of the revised budget.

There are various key projects that are driving the net slippage of £13.4m and a net overspend of £1.5m within Place. These are as follows:

The New Town Hall project is forecasting an overall overspend of £4.4m against existing total council approved budgets for the scheme (£132.9m). This forecast has factored in additional required capital budget provision of £9.5m with notification to the council on 11th July 2022 which formally allocates the existing approved contingency of £8.4m contained within the capital programme to the New Town Hall project and a supplementary budget provision of £1.1m. The current forecast spend on the scheme is £137.3m which includes costs for construction, design, CIL, surveys, and professional fees) to cover all the risks associated with the existing building, BREXIT, inflation, COVID and other matters at a value that is within 10% of the combined original contract sum and the contingency that was approved when the original contract was entered into. The key drivers for the forecast overspend relate to additional costs for Furniture and Fittings (£1.4m), Way-finder (£0.3m), capitalisation of salaries of staff involved in the project (£2.6m) and design changes (£0.5m), offset by £0.4m of underspends within existing approved budgets.

It is anticipated that the Improving Air Quality project within TFL Funded schemes programme with a budget allocation of £2.1m will be discontinued, resulting in an underspend because of the withdrawal of TFL grants required for the project. Other projects with budgets totalling £1.0m will no longer be progressed, resulting in a total underspend of £3.1m.

High Street and Town Centre programmes which include Middlesex Street, Brick Lane and Roman Road West regeneration projects and Middlesex Street Art Trail are projecting acceleration of £2.1m (spend to date £0.7m) against a budget of £1.1m in 2022/23, which will be funded by bringing forward future year budgets for these projects into the current year, as the budgets need to be re-profiled. The forecast spend will be for the Middlesex Regeneration programme's Laden Street toilets and Roman Road Regeneration programme's market square which are expected to be completed by end of the year 2022.

South Dock Bridge project is forecasted to accelerate by £1.3m against a revised budget of £3.0m in 2022/23, spend to date is £0.5m. The £4.3m forecast is largely due to the land acquisition work programmed to take place later this financial year, which will involve acquiring land, air and water rights from landowners to build the bridge and providing compensation to landowners where needed. The Council are having an ongoing discussion with the Canal and River Trust (CRT), to mitigate the loss of CRT dockside space due to the development of the bridge, with mitigation costs expected to occur this financial year. The forecast spend will depend on whether we can reach an agreement on mitigation with CRT or if discussions keep going, regardless the planning application will go to Committee for a decision by December.

New Infrastructure programme is projecting a net accelerated spend of £2.1m against a budget allocation of £1m (Spend to date £0.3m). The accelerated spend is mostly due Whitechapel Road Improvements with a budget of £0.4m and a forecast spend of £2.5m. The reason for the anticipated increase in spend in the

second half of the financial year is that contractor is now on-site on the southern footway at Whitechapel Road delivering the first part of the scheme having secured permission from TfL to carry out the works.

Waste, Recycling and Fleet programme is forecasting spend of £2.0m in-year against a budget allocation of £7.5m, resulting in £5.5m slippage, year to date spend is £0.4m. This is mainly due to the 'Electric Waste Vehicles' project which is forecast to slip by £4.5m as it was undergoing due diligence and progressing through procurement processes. The procurement stage is now completed and project spend is expected to accelerate and now needs to be re-profiled in line with latest plans. The replacement of the vehicles is in phases and procurement for the majority of the fleet will not be completed until 2024/25. There is another risk that vehicle supply could be further delayed due to access to raw materials in the current economic crisis and this will be kept under review.

The Asset maximisation programme within the Place Directorate, is forecasting a net slippage of £2.7m against a budget of £4.5m. The 'Montefiore Centre Refurbishment' project, with a budget of £1.3m in 2022/23, will slip into future years by £1.0m as a result of procurement delays and will run into the next financial year. The other significant slippage within the programme relates to Indicative Feasibility Schemes - Asset Maximisation which is forecast to slip by £1.0m into future years against a budget of £1.2m. This is a pool of funds for project feasibility studies across the council and there is a deliberate plan to pursue targeted feasibility studies and in turn reduces the volume of feasibility studies undertaken. This programme is to undergo a budget realignment.

Public Realm improvements programme is forecast to slip by £5.7m, against a budget of £7.2m. The Liveable Streets projects are the major scheme contributing towards the overall slippage within the programme. The forecast reflects that existing planned projects are still in development phase and are on hold pending review and development of priorities within the programme.

London square programme is forecast to spend to budget of £1.4m, spend to date is £nil. Works are expected to commence at the end of November 2022, and it will take three months to complete.

The Registered Provider (RP) Grant Scheme 1-4-1 receipts programme is forecast to slip by £1.3m against a budget allocation of £1.5m. This scheme enables the council to contribute towards the delivery of much-needed homes being delivered by RP partners, where they are unable to secure grant funding from alternative sources. During 2021/22, RPs were able to access external funding to deliver the schemes in their programme and did not need to seek funding from the local authority. However, in 2022/23 there is only one scheme that is currently under negotiation which may require funding and this situation will be kept under review.

Transport S106 funded programme is forecast to spend £1.0m by the year end, the spend to date incurred has been £0.9m to date, the remaining planned projects for the year, totalling £2.1m, are now anticipated to slip into future years, these works are carried out by Transport for London on behalf of the Council.

There were additional capital growth projects which were approved by Full Council on 2nd March, subject to sign off through the council's capital governance process and agreement to proceed given by the Corporate Director of Place in consultation with the Corporate Director of Resources. Temporary Coroner's court (£0.3m), Open Spaces Montague Landscape (£0.4m), and Streets are Spaces (£0.4m) are capital projects which are yet to progress through the council's capital governance process, hence for period 6 monitoring purposes, a nil forecast has been made against these projects for 2022/23 as they are not yet live, this will be kept under review throughout the year, and forecasts updated accordingly.

Resources

The 2022/23 revised budget for the Resources approved programme is £7.3m. The projected spend for the programme is £1.2m, (17% of the revised budget) resulting in a net slippage of £5.7m and £0.4m underspend.

IT Smarter Working, with a budget of £1.9m in 2022/23, is one of the major programmes in the Resources Directorate. The programme is forecast to spend £0.8m, (£nil spend to date) resulting in £0.7m of slippage and a net underspend of £0.4m. The IT Smarter Working programme is composed of various specific ICT projects. The IT spend will be finalised against capital projects once a review of the costs is completed.

The key project driving the slippage relates to the ICT Mosaic project with a forecast slippage of £0.7m against a budget allocation of £0.9m, this is due to a delay in legal and procurement due diligence processes. The Agresso Re-hosting and upgrade project is completed and the remaining unspent budget of £0.4m will be recycled.

Customer services capital programme is forecasted to spend £0.5m (spend to date £nil) against a budget of £1.5m, resulting in a slippage of £1.0m. This is largely due anticipated slippages in the Ideas Store Whitechapel capital project as it is reviewed. The customer services spend will be finalised against capital projects once a review of the costs is completed. There is a budget realignment required for the projects within the programme. There were additional capital growth projects which were approved by Full Council on 2nd March, subject to sign off through the council's capital governance process and agreement to proceed given by the Corporate Director of Place in consultation with the Corporate Director of Resources. Bancroft library (£3.3m), Brady Centre (£0.2m) and Contingency 15% for uplift in costs (£0.5m) are capital projects which are yet to progress through the council's capital governance process, hence for period 6 monitoring purposes, a nil forecast has been made against these projects for 2022/23 as they are not yet live, this will be kept under review throughout the year, and forecasts updated accordingly.

Annual Rolling Programme

General Fund Programme	Directorate	Revised Budget £'m	Actual Amount spent to date '£m	Current Forecast £'m	Forecast vs Revised Budget Variance £'m
Approved Rolling Programme	Children & Culture	6.3	0.9	3.9	(2.4)
	Health, Adults & Community	0.3	0.0	0.0	(0.3)
	Place	9.4	1.9	8.6	(0.8)
	Resources	3.5	0.0	2.2	(1.3)
Approved Rolling Programme Total		19.5	2.8	14.7	(4.8)

The 2022/23 revised budget for Annual Rolling programme is £19.5m. The projected spend for Approved Rolling programme is £14.7m, (76% of the revised budget) resulting in a net slippage of £4.1m and underspend of £0.7m. The actual spent to date is £2.8m representing 15% of the revised budget.

Children's and Culture

The 2022/23 revised budget for the Children's and Culture Annual Rolling Programme is £6.3m. The forecast spend is £3.9m, (62% of the revised budget) resulting in a net slippage of £1.7m and underspend of £0.7m.

Conditions and Improvement for Primary schools' projects are forecasted to slip by £0.7m against a budget of £3.6m, spend to date is £0.9m. The service is expecting invoices from contractors for the completed works carried out during the summer and this is reflected in the anticipated spend forecast. The programme reacts across the maintained school estate on a condition need requirement. As this is a ring-fenced budget, all underspends will be re-allocated within the Conditions and Improvement programme in following financial year.

The significant forecast underspend within the programme is £0.7m on St Paul's Way Trust School Expansion, with a remaining budget of £0.7m funded from Basic Needs Grant. The project is now complete, and the budget can be released. As the funding for the project is basic need grant, it is anticipated that the underspend will be re-allocated to new/alternative education Basic Need project(s) within the Education capital programme.

There were additional capital growth projects which were approved by Full Council on 2nd March subject to sign off through the council's capital governance process and agreement to proceed given by the Corporate Director of Place in consultation with the Corporate Director of Resources. Improvements to Youth Provision inc. Spotlight, St Andrew's Wharf (£1.0m) is a capital project which is currently progressing through the Council's capital governance process, hence for period 6 monitoring purposes and a nil forecast has been made against this project for 2022/23 as it is not yet live, this will be kept under review throughout the year, and forecast updated accordingly.

Place

The 2022/23 revised budget for the Place Annual Rolling Programme is £9.4m and the forecast spend for the year is £8.7m, (92% of the revised budget); resulting £0.7m slippage.

This is largely due Disabled Facilities Grants (DFG) schemes which is forecasting spend of £1.0m against a budget allocation of £1.7m for the year, resulting in slippage of £0.7m. DFG projects are dependent on cases coming through the service and being assessed to need adaptations, which impacts forecasts for the year.

Public Realm Improvements is forecast spend to budget of £5.4m, spend to date is £1.1m. The increased spend anticipated in the second half of the year is related to the Capital Footway and Carriage Programme. Historically, most spend for this project takes place in in the last two quarters of the financial year. The first two quarters are taken up with seeking permission for works. There is currently over £4m in open PO's related to this project for this year.

Investment works in LBTH assets is projecting a spend of £2.1m, (current spend to date is £0.1m) against a budget allocation of £2.1m. The procurement process is underway, and some works have now been ordered. The Corporate Landlord Model (CLM) works would be the focus in the last two quarters of the year, and this is the predominant expenditure relating to the full year forecast yet to be incurred.

Resources

The 2022/23 revised budget for the Resources Annual Rolling Programme is £3.5m. The forecast spend for the programme is £2.2m, (64% of the revised budget) resulting in a slippage of £1.3m.

Most of the projects have now commenced and the slippage is due to late start of the projects. The IT spend will be finalised against capital projects once a review of the costs is completed.

Invest to Save

General Fund Programme	Directorate	Revised Budget £'m	Actual Amount spent to date '£m	Current Forecast £'m	Forecast vs Revised Budget Variance £'m
Invest to Save Programme Total	Place	15.0	3.6	8.5	(6.5)
Invest to Save Programme Total		15.0	3.6	8.5	(6.5)

The Council's Place Directorate has the only invest to save programmes/projects. The 2022/23 revised budget for the Invest to Save programme is £15.0m. The forecast spend for the programme is £8.5m, (57% of the revised budget) resulting in a forecast year-end slippage of £6.5m. The actual spent to date is £3.6m representing 24% of the revised budget.

Conversion to TA 1-4-1 receipts programme is predicted to slip by £1.5m (Budget £1.6m) in this financial year, because new homes originally envisaged to be delivered through this programme, are now being delivered as permanent homes and have been moved into the HRA programme. However, there are opportunities to convert buildings held in the General Fund to housing in the next 12 months, for which the full approved budget will be required.

Purchase of accommodation for TA 1-4-1 receipts programme has a budget allocation of £10.5m in 2022/23, spend to date is £1.5m and the budget is expected to slip by £5.5m. The council has continued to buy back former council homes to provide temporary accommodation for households facing homelessness a register of interest with sufficient leaseholders who are ready to sell to enable the budget to be spent in full in 2022/23 and 2023/24. The forecast spend of £5.0m is due to proposals that are awaiting completion. However, there is a risk that there could be fallouts by vendors and the forecasts will be kept under review. The new administration is reviewing the future of the buy-back programme.

The Street Lighting replacement programme is forecast to have an accelerated spend of £0.5m against a budget of £2.5m, which means budget will need to be brought forward from future years for this project as the Council's plan for the Westferry Circus Lower lighting replacement scheme has been brought forward to commence this year, from future years.

LIF Programme

General Fund Programme	Directorate	Revised Budget £'m	Actual Amount spent to date '£m	Current Forecast £'m	Forecast vs Revised Budget Variance £'m
LIF Programme	Place	8.5	0.1	0.3	(8.2)
LIF Programme Total		8.5	0.1	0.3	(8.2)

The LIF programme is resident in the Place Directorate. The 2022/23 revised budget for LIF programme is £8.5m. The forecast spend for the programme is £0.3m for the year, (4% of the revised budget) resulting in slippage of £8.2m. The actual spent to date is £0.1m.

The forecast is based on the current allocation of funding for agreed LIF projects. There are various projects in the pipeline where funding may be allocated subject to review by both officers and the administration and forecast position on LIF funded projects will continue to be assessed and monitored throughout the year in light of on-going decisions.

Latest HRA Capital Provisional Outturn Position

HRA Programme	Directorate	Revised Budget £'m	Actual Amount spent to date £m	Current Forecast £'m	Forecast vs Revised Budget Variance £'m
Approved Programme New Council Homes	Place	106.9	16.3	43.6	(63.3)
Approved Programme HRA THH Projects	Place	2.3	0.1	0.5	(1.8)
HRA Approved Programme Total		109.1	16.4	44.1	(65.0)
Housing Revenue Account (THH Rolling)	THH	28.0	0.9	22.4	(5.6)
Housing Revenue Account (THH Rolling) Total		28.0	0.9	22.4	(5.6)
Grand Total		137.1	17.3	66.5	(70.6)

The revised capital budget for HRA for the year 2022/23 is £137.1m, current forecast HRA capital expenditure for the year is £66.5m, which represents 49% of the revised 2022/23 capital budget. The HRA programme is forecast to slip by £70.6m into future years. The spend to date is £17.3m, representing 13% of the revised budget.

A review of the Approved HRA Capital Programme is taking place under the new administration to ensure that the manifesto pledges and priorities set out in the 2022-26 Strategic Plan are reflected. In parallel with the programme review, an update of the 30-year HRA Business Plan is being carried out. The outcomes of the capital programme refresh and business plan update will be factored into the budget setting process for the 2023-26 HRA capital programme, which will be presented to Full Council for approval in March 2023.

The details of the report are set out below –

Approved Programme

HRA Programme	Directorate	Revised Budget £'m	Actual Amount spent to date £m	Current Forecast £'m	Forecast vs Revised Budget Variance £'m
Approved Programme New Council Homes	Place	106.9	16.3	43.6	(63.3)
Approved Programme HRA THH Projects	Place	2.3	0.1	0.5	(1.8)
HRA Approved Programme Total		109.1	16.4	44.1	(65.0)

The total HRA Approved capital budget for the current year is £109.1m. The forecast is £44.1m representing 40% of the revised budget and £65.0m budget slippage is predicted. The actual spend to date is £16.4m, representing 15% of the revised budget.

Approved Programme - New Council Homes

The 2022/23 revised budget for the New Council Homes Approved Programme is £106.9m. The forecast spend for the programme is £43.6m, (41% of the revised budget) resulting in a net underspend variance of £63.3m. The spend to date is £16.3m representing 15% of the revised budget.

The delivery timetables for a number of schemes in the new homes programme have been extended as a result of supply chain issues, shortages in materials and cost increases due to inflation. There have been other schemes that have been delayed in the procurement process, where contractors have found it difficult to give cost certainty. As a result, spend to date has been lower than expected, but this is programmed to increase in the coming months. A recent report to Cabinet proposed substitute schemes which are ready to proceed.

The programme will be updated for 2023-26 and re-profiled, before being presented to the Full Council in March 2023, once the update of the HRA Business Plan has been completed.

Approved Programme - HRA THH Projects

Approved Programme HRA THH project is a HRA project which is being delivered by councils Place directorate. The 2022/23 revised budget for this programme is £2.3m. The forecast spend for the programme is £0.5m, (22% of the revised budget) resulting in slippage of £1.8m. The actual spent to date is £0.1m.

The delivery of the scheme (introducing new off-street parking arrangements in housing estates due to changes in national legislation) is reliant on the completion of a Statutory Consultation process with residents and is being delivered on a ward-by-ward basis from the west of the borough to the east. Substantial delays in progress occurred during the pandemic when it was not possible to carry out estate-based consultations. In addition, in some areas there was a necessity to invest more time in consulting some residents who had initial reservations about the scheme. With the scheme now running successfully in Wapping, parts of Shadwell, Whitechapel, Spitalfield and Banglatown, it is planned to escalate the rollout in order to ensure completion in 2023/24.

Annual Rolling Programme

HRA Programme	Directorate	Revised Budget £'m	Actual Amount spent to date £'m	Current Forecast £'m	Forecast vs Revised Budget Variance £'m
Housing Revenue Account (THH Rolling)	THH	28.0	0.9	22.4	(5.6)
Housing Revenue Account (THH Rolling) Total		28.0	0.9	22.4	(5.6)

Tower Hamlets Homes (THH)

The 2022/23 revised budget for the Annual Rolling Programme - Tower Hamlets Homes (THH) is £28.0m. The forecast spend for the programme is £22.4m, (80% of the revised budget) resulting in a net slippage of £5.6m. The spend to date is £0.9m.

The actual to date is skewed by the retention accruals of about £2.6m which will not be cleared until the final accounts are cleared. Included in this accrual are historical accruals totalling £1.3m in the accounts which were due to disputes with Keepmoat and NG contractors. There are ongoing discussions to resolve the disputes. The nature of THH rolling programme indicates that the bulk of the works occur in the last quarter of the year and therefore spend will rise accordingly and this year will not be an exception.

Appendix B - Summary MTFs Savings Tracker 2022-25

	2022-23						2023-24						2024-25						
	Savings target	Slippage from previous year	Revised Savings target	Forecast savings achievable	Savings slippage	Unachievable or (over delivery)	Savings target	Slippage from previous year	Revised Savings target	Forecast savings achievable	Savings slippage	Unachievable or (over delivery)	Savings target	Slippage from previous year	Revised Savings target	Forecast savings achievable	Savings slippage	Unachievable or (over delivery)	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Directorate																			
Health, Adults & Community	1,295	174	1,469	1,469	-	-	171	-	171	171	-	-	-	-	-	-	-	-	-
Children & Culture	1,552	437	1,989	1,379	110	500	380	110	490	490	-	-	-	-	-	-	-	-	-
Place	1,025	600	1,625	400	500	725	5,216	500	5,716	1,751	2,250	1,715	500	2,250	2,750	100	2,150	500	
Chief Executive's Office	-	57	57	17	40	-	-	40	40	40	-	-	200	-	200	200	-	-	
Resources	200	450	650	530	120	-	-	120	120	120	-	-	700	-	700	700	-	-	
Cross-Directorate / Corporate	2,880	3,108	5,988	1,942	511	3,535	785	511	1,296	746	100	450	1,000	100	1,100	100	-	1,000	
Total	6,952	4,826	11,778	5,737	1,281	4,760	6,552	1,281	7,833	3,318	2,350	2,165	2,400	2,350	4,750	1,100	2,150	1,500	

Savings target							Slip		2022-23								2023-24						2024-25															
Reference	Year Approved	Title	Dir.	Directorate	Service Area	Savings Achievement Status	Savings target £'000	Slippage from previous year £'000	Revised Savings target £'000	Forecast savings achievable £'000	Savings slippage £'000	Unachievable or (over delivery) £'000	Forecast Savings RAG	Project Status RAG	Status update	Savings target £'000	Slippage from previous year £'000	Revised Savings target £'000	Forecast savings achievable £'000	Savings slippage £'000	Unachievable or (over delivery) £'000	Savings target £'000	Slippage from previous year £'000	Revised Savings target £'000	Forecast savings achievable £'000	Savings slippage £'000	Unachievable or (over delivery) £'000											
SAV / PLA 001 / 20-21	2020-21	Property Asset Strategy Savings agreed to be reprofiled during the 2022-23 budget setting	PLA	Place	Corporate Property & Capital Delivery	Undeliverable / Unachievable	-	500	500	-	-	500	Red	Red	1. The Asset Management Team has identified a number of opportunities across the estate to deliver the Council's Asset Strategy. 2. The programme consists of a range of projects that focus on making the best of Council property with outcomes including:- community asset transfer options, development opportunities, disposals, reduced running costs and new rental streams. Delays to delivery of this programme has resulted from Covid-19 with a slow down in the market for leasing properties. Where properties are let it normally requires an incentive, such as a rent free period, putting further delay in delivering the saving. 3. All property disposals and rent reviews have been put on hold whilst they are considered by the new administration. 4. Despite these challenges, the programme is projecting to deliver £0.9m income in 2022-23, however this will be contributing to an existing income budget pressure, and therefore this saving will not be delivered. The saving is deemed unachievable in the current market and proposed for write off	-	-	-	-	-	-	500	-	500	-	-	500	-	-	500								
SAV / PLA 002 / 18-19	2018-19	Review of Housing Delivery (THH/TH)	PLA	Place	Housing /THH	Slipping but Achievable	-	100	100	-	100	-	Amber	Amber	The saving relates to efficiencies generated from in-sourcing THH. It is a mayoral pledge to consult on the insourcing of the ALMO and the consultation process is currently underway. Subject to the consultation being in favour of insourcing then this saving would be deliverable, but will slip into future years	-	100	100	-	100	-	-	100	-	100	-	-	100										
SAV / PLA 009 / 21-22	2021-22	Transformational review of the Homelessness service	PLA	Place	Housing Options	Slipping but Achievable	250	-	250	-	250	-	Amber	Amber	The transformation project to deliver £2m savings is ongoing. Despite this, homeless numbers continue to rise due to the lifting of the evictions ban that has been in place since the onset of the pandemic resulting in the service experiencing an increase in the numbers of private evictions, the cost-of-living crisis resulting in more family exclusions, a loss of private tenancies and a greater number of individuals contacting the service since it has been digitalised. Current numbers in T.A. are 2,794 compared with 2,568 in April, with an average of 70 new households going into T.A. each month. A lack of move on options within the private sector is increasing the use of expensive B&B and nightly booked accommodation and hampering the delivery of this saving. Processes are being improved with the aim of more upstream intervention and increasing discharge into the PRS to prevent Homelessness. Significant work has been done to expedite decision making including clearing a significant backlog of decisions. Expansion of the use of PRS to prevent homelessness and to move on households will continue through the rest of the programme in an attempt to reduce numbers and suppress costs. A number of processes and improved ways of working have been introduced in the first year of the project and as these bed in over its duration savings and efficiencies are expected to result e.g. PRS Match List to allocate clients to suitable properties. The work completed to date has resulted in the service being able to absorb the additional cost of rising T.A. numbers within existing budget provision but is resulting in the saving slipping. Progress in terms of client numbers and savings progress will be monitored regularly through the Homelessness Prevention Transformation Board.	1,750	250	2,000	-	2,000	-	-	2,000	-	-	2,000	-	-	2,000	-	-	2,000	-	-	2,000	-	-	2,000
SAV / PLA 006 / 21-22	2021-22	New Town Hall revenue savings	PLA	Place	Property & Major Projects	Undeliverable / Unachievable	-	-	-	-	-	-	Red	Amber	1. This saving was predicated on the original funding for the New Town Hall which included the disposal of Albert Jacob House and John Onslow House, resulting in running cost savings. A funding decision was then taken to borrow instead, and to re-let these buildings, both of which are HRA assets. 2. Forecasts indicate that some of the saving will be delivered through the rationalisation of offices and efficiencies from moving to the New Town Hall with £1.7m proposed for write off as undeliverable.	3,446	-	3,446	1,731	-	1,715	-	-	-	-	-	0	-										
SAV / PLA 006 / 21-22	2021-22	Environmental Service Team - increased enforcement activity to target fly tipping	PLA	Place	Public Realm	Delivered / On Target	20	-	20	20	-	-	Green	Green	Saving to be delivered in 2022/23	20	-	20	20	-	-	-	-	-	-	-	-	-	-									
SAV / ALL 001 / 21-22	2021-22	Transformation of Regulatory and Enforcement Functions	PLA	Place	Public Realm	Slipping but Achievable	150	-	150	150	-	-	Amber	Red	1. This savings target is split between Place and HAC 2. Work on delivering the Place part of the saving is yet to commence and decisions need to be made as to how it will be delivered	-	150	150	-	150	-	-	150	-	150	-	150	-	150									
SAV / PLA 011 / 21-22	2021-22	Waste Services Reorganisation	PLA	Place	Public Realm	Delivered / On Target	100	-	100	100	-	-	Green	Green	Restructure completed in 2021-22 and the saving has been delivered.	-	-	-	-	-	-	-	-	-	-	-	-	-										
SAV / PLA 005 / 20-21	2020-21	Review of Parks - Reprofitting of agreed savings (SAV/PLA 05/18-19)	PLA	Place	Sport Leisure and Culture	Delivered / On Target	280	-	280	280	-	-	Green	Green	1. A parks review has been undertaken. Children's and Place directorates have identified a number of savings over the whole parks service. 2. The saving should be split between Place and Children's service, with £185k in Place and £95k in Children's. 3. Place has identified a number of savings that will deliver £185k in full.	-	-	-	-	-	-	-	-	-	-	-	-	-										
SAV / GOV 001 / 21-22	2021-22	Electoral Services	CHE	Chief Executive's Office	Electoral Services	Slipping but Achievable	-	40	40	-	40	-	Amber	Amber	1. One of the staffing savings was achieved in 2021-22 through deletion of a vacant post. 2. The remainder of the saving could be affected by the introduction of the Elections Bill if this creates a higher workload and depending on the level of government funding for any additional burdens created.	-	40	40	40	-	-	-	-	-	-	-	-	-										
SAV / GOV 001 / 20-21	2020-21	Legal services Savings agreed to be reprofiled during the 2022-23 budget setting	CHE	Chief Executive's Office	Legal Services	Delivered / On Target	-	-	-	-	-	-	Green	Green	Saving to be delivered in 2024-25 is predicated on the ability to make efficiencies through shared services with other local authorities.	-	-	-	-	-	-	-	200	-	200	200	-	-	200									
SAV / GOV 003 / 21-22	2021-22	Review of Monitoring Officer service structure	CHE	Chief Executive's Office	Monitoring Officer	Delivered / On Target	-	17	17	17	-	-	Green	Green	1. The separate deputy monitoring officer post was deleted in August 2021. The full year effect of the saving has been achieved for 2022-23.	-	-	-	-	-	-	-	-	-	-	-	-	-	-									
ALL009/17-18	2017-18	Consolidation of Business Support and Administration Functions	RES	Resources	All	Delivered / On Target	-	300	300	300	-	-	Green	Green	1. Phase 1 restructure has been implemented and potential future changes to the structure and further centralisations are being reviewed.	-	-	-	-	-	-	-	-	-	-	-	-	-										
SAV / RES 002 / 20-21	2020-21	Benefits service – centralisation of assessments – service review and restructure	RES	Resources	Benefits Service	Delivered / On Target	100	-	100	100	-	-	Amber	Green	1. This restructure is actioned however the savings achievement is delayed due to needing to facilitate grant payments and the new Covid Additional Relief Fund for business rates, Energy Rebate Scheme payments for Council Taxpayers and an increase in workload due to an increased number of properties for Council Tax.	-	-	-	-	-	-	-	-	-	-	-	-	-										
SAV / RES 004 / 20-21	2020-21	Finance Services – Process improvements & new Finance System Implementation - Reprofitting of agreed savings (SAV/ RES 06 / 18-19)	RES	Resources	Corporate Finance	Delivered / On Target	100	-	100	100	-	-	Green	Green	1. This saving will be achieved through a review of the Finance staffing structure.	-	-	-	-	-	-	-	-	-	-	-	-	-	-									

Savings target							Slip	2022-23								2023-24						2024-25														
Reference	Year Approved	Title	Dir.	Directorate	Service Area	Savings Achievement Status	Savings target £'000	Slippage from previous year £'000	Revised Savings target £'000	Forecast savings achievable £'000	Savings slippage £'000	Unachievable or (over delivery) £'000	Forecast Savings RAG	Project Status RAG	Status update	Savings target £'000	Slippage from previous year £'000	Revised Savings target £'000	Forecast savings achievable £'000	Savings slippage £'000	Unachievable or (over delivery) £'000	Savings target £'000	Slippage from previous year £'000	Revised Savings target £'000	Forecast savings achievable £'000	Savings slippage £'000	Unachievable or (over delivery) £'000									
SAV / RES 010 / 21-22	2021-22	Human Resources - reprofile of agreed saving RES001/17-18 Savings were reprofiled as part of 2022-23 budget setting.	RES	Resources	HR and OD	Delivered / On Target	-	-	-	-	-	-	Amber	Amber	1. The ability to make long-term savings in HR and Workforce Development staffing is being reviewed, taking into account potential system and process improvements, to inform the achievability of the savings profiled in 2024-25.	-	-	-	-	-	-	-	700	-	700	700	-	-								
SAV / RES 009 / 21-22	2021-22	Merging the Revenues & Benefits Services (Phase 2)	RES	Resources	Revenues and Benefits	Slipping but Achievable	-	150	150	30	120	-	Amber	Green	1. This restructure has been delayed due to needing to facilitate grant payments and the new Covid Additional Relief Fund for business rates, and Energy Rebate Scheme payments for Council Taxpayers.	-	120	120	120	-	-	-	-	-	-	-	-	-								
SAV / ALL 001 / 20-21	2020-21	Contract Management Efficiencies - Reprofiled of agreed savings (SAV/CORP 02 / 18-19)	COP	Cross-Directorate / Corporate	All	Undeliverable / Unachievable	1,950	-	1,950	-	-	1,950	Red	Red	1. To achieve this saving, contracts within directorates would have needed to produce average efficiencies of circa 6% through tenders and direct negotiations, however due to the increased level of inflation in the economy this saving is no longer considered to be achievable and will be proposed to be written off in the 2023-26 MTFS.	-	-	-	-	-	-	-	-	-	-	-	-	-								
ALL003/17-18	2017-18	Debt Management & Income Optimisation	COP	Cross-Directorate / Corporate	All	Delivered / On Target	-	74	74	74	-	-	Green	Green	1. Growth in Council tax base above original MTFS assumption for 2022-23 (£74k) has been allocated against this saving.	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
SAV / ALL 003 / 20-21	2020-21	Fees & Charges - reprofiled through SAV/ COP 003 / 21-22	COP	Cross-Directorate / Corporate	All	Delivered / On Target	420	-	420	420	-	-	Green	Green	1. Savings have been allocated to service directorate income budgets that were agreed for increased fees & charges.	235	-	235	235	-	-	-	-	-	-	-	-	-								
ALL006/17-18	2017-18	Local Presence / Contact Centre Review	COP	Cross-Directorate / Corporate	All	Undeliverable / Unachievable	-	461	461	7	-	454	Red	Red	1. Implementation of the new Customer Access model achieved £900k of savings from One Stop Shop closures and establishment changes from channel shift. 2. £689k of savings were written off in the 2022-23 budget. The remaining £461k will be achieved through shift of customer access to 'digital by default' to reduce demand and consolidation of high volume telephone contact into the contact centre. 3. £7k will be achieved from pest control through the CRM being implemented which will give customers the ability to book pest control appointments online and this frees up time for the officers to maximise income generation. The commercial booking form, which will facilitate the additional income, is not yet fully implemented. 4. The remainder was aimed to be achieved from the Housing Options Service. When the homelessness self-referral form went live in May this increased the volume of applications and volume of related eligibility checks. The form is currently being redesigned to ensure only homelessness cases submit applications through this route. 5. The cost of living crisis has increased demand and therefore £454k is not achievable and is requested to be written off in the 2023-26 MTFS.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ALL001/17-18	2017-18	Review of Printing/ Scanning/ Use of Multi-Functional Devices (MFD's)	COP	Cross-Directorate / Corporate	All	Slipping but Achievable	-	371	371	-	371	-	Amber	Amber	1. The MFD and Reprographics elements of the project were delivered. 2. A new contract for the hybrid mail solution for outward mail has been setup. Work is underway to confirm the level of cashable savings that will be achieved from the Royal Mail contract, One Source, franking machines and some of the mail room staffing costs. The slippage in 2022-23 is requested to be offset through the Covid non-ringfenced grant reserve due to extra work continuing due to the pandemic, eg. in the Revenue and Benefits Service processing business rates reliefs and Council Tax energy rebates.	-	371	371	371	-	-	-	-	-	-	-	-	-								
SAV / ALL 007 / 19-20	2022-23	Greater Commercialisation - SAV / ALL 007 / 19-20 Savings were partially written off and reprofiled as part of 2022-23 budget setting.	COP	Cross-Directorate / Corporate	Cross-Directorate	Undeliverable / Unachievable	-	431	431	150	140	141	Amber	Amber	1. There have been savings achieved through the review of 2021-22 fees & charges. This review identified £39k extra income through the introduction of household bulky waste charges after 2 free collections and Commercial bulky waste charges, and £30k extra income in Registrars Services. 2. £150k of the £431k slipped savings will be achieved in 2022-23 and have been allocated to Registrars Services for increased events income at St George's Town Hall. 3. The remaining savings are being identified through increased venue hire, including in facilities management, Idea Stores, Community Hubs and at arts and parks centres and sports pitches. Improvements have been made to the venues and events website (Tower venues) and a new payment and booking system is being implemented to improve customer experience and increase bookings in future years. 4. This saving has been impacted by the pandemic and therefore £1.141m of the remaining saving is viewed as unachievable and is requested to be written off in the 2023-26 MTFS. 5. In 2022-23 the savings slippage and unachievable savings are requested to be offset through the Covid non-ringfenced grant reserve.	-	140	140	140	-	1,000	-	1,000	1,000	-	1,000	1,000	1,000	-	-	-	-	-	-	-	-
SAV / ALL 005 / 19-20	2019-20	Asset Management Service	COP	Cross-Directorate / Corporate	Cross-Directorate / Place / Children's Services - Asset Management	Undeliverable / Unachievable	-	500	500	-	-	500	Red	Red	1. £250k of this saving relates to Place; £250k relates to Children and Culture. 4. Both services are charging the pressure against the covid general grant reserve in year with a proposal to write off the saving next year 2. For the Place saving, the comment against the 'Property Asset Strategy' saving (SAV / PLA 001 / 20-21) applies. 3. The Children and Culture share of the saving is also unachievable and the Commissioning and Culture division is already demonstrating this overspend pressure in 2022-23 in relation to rentable assets.	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
SAV / ALL 001 / 19-20	2019-20	Phase 2 Local Presence - putting Digital First	COP	Cross-Directorate / Corporate	Cross-Directorate / Resources - Various	Delivered / On Target	-	305	305	305	-	-	Green	Green	1. The new Customer Services (Idea Stores) structure was implemented in July 2021 and the full year effect of the saving has been achieved in 2022-23.	-	-	-	-	-	-	-	-	-	-	-	-	-								
SAV / ALL 004 / 19-20	2019-20	Reduction in Enabling and Support Services Costs	COP	Cross-Directorate / Corporate	Cross-Directorate / Resources - Various Support Services	Delivered / On Target	-	750	750	750	-	-	Green	Green	1. The restructure was carried out in 2021-22 and the full year effect has been achieved in 2022-23.	-	-	-	-	-	-	-	-	-	-	-	-	-								
SAV / COP 001 / 21-22	2021-22	Income Through Housing Companies - reprofile of agreed saving SAV/ RES 08 / 18-19	COP	Cross-Directorate / Corporate	Housing	Undeliverable / Unachievable	-	-	-	-	-	-	Red	Red	1. There has been no activity within Mulberry Housing Society and Seahorse Homes since their inception. As a result an external review of the use of these housing companies has been undertaken and concluded that neither company is viable in the current housing market. On the back of this report, Mulberry Housing Society (an independent company) has taken a board decision to be dissolved. A report is being taken to Cabinet on 30 November recommending the Council owned Seahorse Homes is also dissolved. If approved a shareholder meeting will take place on 8 December to formally wind up the company. As a result this saving is undeliverable and proposed to be written off	250	-	250	-	-	250	-	-	-	-	-	-	-	-							

Savings target

Slip

Reference	Year Approved	Title	Dir.	Directorate	Service Area	Savings Achievement Status	2022-23						2023-24						2024-25								
							Savings target £'000	Slippage from previous year £'000	Revised Savings target £'000	Forecast savings achievable £'000	Savings slippage £'000	Unachievable or (over delivery) £'000	Forecast Savings RAG	Project Status RAG	Status update	Savings target £'000	Slippage from previous year £'000	Revised Savings target £'000	Forecast savings achievable £'000	Savings slippage £'000	Unachievable or (over delivery) £'000	Savings target £'000	Slippage from previous year £'000	Revised Savings target £'000	Forecast savings achievable £'000	Savings slippage £'000	Unachievable or (over delivery) £'000
SAV / COP 002 / 21-22	2021-22	THH - Potential support service Savings - reprofile of agreed saving SAV/ RES 09 / 18-19	COP	Cross-Directorate / Corporate	Housing	Slipping but Achievable	-	-	-	-	-	-	Amber	Amber	1. The saving relates to support service savings from the in-sourcing of THH. 2. If the ALMO were insourced following consultation then this saving would be achievable through support service efficiencies.	100	-	100	-	-	100	-	-	-	-	-	-
SAV / ALL 003 / 21-22	2021-22	Review of Senior Leadership Team	COP	Cross-Directorate / Corporate	Senior Management	Delivered / On Target	110	16	126	126	-	-	Green	Green	1. £314k was achieved in 2021-22 through the deletion of the Corporate Director Governance post and the Divisional Director Property & Major Programmes post. 2. The remaining £126k has been achieved in 2022-23 through the reduction in the Children and Culture directorate from four Divisional Director posts to three.	-	-	-	-	-	-	-	-	-	-	-	-
SAV / ALL 002 / 21-22	2021-22	Change of working hours and use of Flexible Retirement schemes	COP	Cross-Directorate / Corporate	Workforce	Undeliverable / Unachievable	400	200	600	110	490	-	Red	Red	1. £110k has been achieved through flexible retirements agreed in the Finance, Procurement and Audit division. 2. Remaining savings of £490k in 2022-23 and further £200k in 2023-24 are not achievable based on flexible retirement applications agreed to date and promoted twice in the organisation.	200	-	200	-	-	-	200	-	-	-	-	-

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Appendix C: Covid-19 Forecast Outturn Summary 2022-23

£m

Expenditure and Reduced Income	
Expenditure (General Fund) 2022-23	
Health, Adults and Community	4.9
Children and Culture	0.8
Place (excluding HRA)	7.5
Resources	0.9
Chief Executive's Office	0.0
Corporate	0.4
Expenditure (General Fund)	14.5
Total reduced income (General Fund) 2022-23	
Reduced income claimed against non-ringfenced grant (General Fund)	0.3
Total reduced income (General Fund)	0.3
Grand Total - Expenditure and Reduced Income	14.8
2022-23 forecast in-year Covid-19 funding - government and NHS funding (excluding passported support for businesses)	
Non-ringfenced COVID-19 funding	0.0
Specific ring-fenced COVID-19 funding	(7.9)
Grand Total - Forecast Covid-19 Funding	(7.9)
2022-23 brought forward Covid-19 Funding - government and NHS funding (excluding passported support for businesses)	
Non-ringfenced COVID-19 funding brought forward	(8.4)
Specific ring-fenced COVID-19 funding brought forward	(4.4)
2022-23 Covid-19 grants brought forward from prior years	(12.8)
2022-23 forecast carry forward Covid-19 funding - government and NHS funding (excluding passported support for businesses)	
Forecast Outturn Non-ringfenced COVID-19 funding carried forward	(5.9)
Forecast Outturn Specific ring-fenced COVID-19 funding carried forward	0.0
2022-23 Forecast Covid-19 grants carried forward to future years' (excluding Collection Fund)	(5.9)

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Appendix D: 2022-23 Period 6 Forecast Outturn General Fund Capital Programme Monitor


Theme	Directorate	Programmes	Revised	Actual	Current	Variance		
			Budget	£ Amount	£ Forecast	Forecast vs Budget		
			'm	'm	'm	£ 'm		
Approved Programme	Children & Culture	Culture	1.8	0.1	0.0	(1.8)		
		Parks	6.2	1.2	3.7	(2.5)		
		Basic Needs/Expansions	40.1	9.5	27.7	(12.4)		
		Provision for 2 year olds	0.1	0.0	0.1	0.0		
	Children & Culture Total			48.2	10.9	31.5	(16.7)	
	Health, Adults & Community	Adult Social Care	2.6	0.3	0.0	(2.6)		
		Public Health	7.4	0.1	7.0	(0.5)		
		Day provision Antill Rd	0.5	0.0	0.0	(0.5)		
		Community Safety	3.7	0.9	2.5	(1.2)		
		Health, Adults & Community Total			14.2	1.4	9.4	(4.8)
	Place	RP Grant Scheme 1-4-1 receipts	1.5	0.1	0.2	(1.3)		
		Conversion to TA 1-4-1	0.1	0.0	0.0	(0.1)		
		Community Hubs/Buildings	0.4	0.0	0.0	(0.4)		
		Waste, Recycling and Fleet	7.5	0.4	2.0	(5.5)		
		TFL Funded Schemes	2.1	0.0	0.0	(2.1)		
		Markets	0.3	0.0	0.0	(0.3)		
		New Infrastructure	1.0	0.3	3.1	2.1		
		Transport S106 Funded Schemes	3.2	0.0	1.1	(2.1)		
		Carbon Offsetting	0.8	0.2	0.6	(0.2)		
		High Street & Town Centre	1.1	0.7	3.2	2.1		
		New Town Hall	24.4	14.4	28.8	4.4		
		THCIL Capital Projects	3.0	0.5	4.3	1.3		
		Asset Maximisation	4.5	0.8	1.8	(2.7)		
		London Square	1.4	0.0	1.4	0.0		
		Local Environmental Projects	0.3	0.0	0.2	(0.1)		
		Local Cultural Projects	0.1	0.0	0.1	0.0		
		Temporary coroners court / Streets are spaces / Comm Hub / Open Spaces	1.1	0.0	0.0	(1.1)		
		Public Realm Improvements	7.2	0.6	1.5	(5.7)		
		Place Total			60.1	18.1	48.2	(11.9)
		Resources	IT - Smarter Working	1.9	0.0	0.7	(1.1)	
	Customer Services - Capital Programme		1.5	0.0	0.5	(1.0)		
	Bancroft Library/new archive/Brady Centre/Contingency uplift		4.0	0.0	0.0	(4.0)		
	Resources Total			7.3	0.0	1.2	(6.1)	
	Approved Programme Total			129.9	30.3	90.4	(39.5)	
	Approved Rolling Programme	Children & Culture	Culture	1.0	0.0	1.0	0.0	
			Basic Needs/Expansions	0.7	0.0	0.0	(0.7)	
			Improvements to Youth Provision inc. Spotlight, St Andrew's Wharf	1.0	0.0	0.0	(1.0)	
		Conditions and Improvements			3.6	0.9	2.9	(0.7)
		Children & Culture Total			6.3	0.9	3.9	(2.4)
		Health, Adults & Community	Adult Social Care - DFG	0.3	0.0	0.0	(0.3)	
		Health, Adults & Community Total			0.3	0.0	0.0	(0.3)
		Place	DFG (Post Jul 03)-Mandatory	1.7	0.7	1.0	(0.7)	
			Home Repair Grant-Adaptations	0.1	0.0	0.1	0.0	
Investment Works - LBTH assets			2.2	0.1	2.1	(0.1)		
Public Realm Improvements			5.4	1.1	5.4	0.0		
Place Total			9.4	1.9	8.6	(0.8)		
Resources		IT - Rolling programme	3.5	0.0	2.2	(1.3)		
Resources Total			3.5	0.0	2.2	(1.3)		
Approved Rolling Programme Total			19.5	2.8	14.7	(4.8)		
Invest to Save Programme	Place	Conversion to TA 1-4-1 receipts	1.6	0.0	0.1	(1.5)		
		Purchase of Accom for TA 1-4-1 receipts	10.5	1.5	5.0	(5.5)		
		Public Realm Improvements	2.9	2.1	3.4	0.5		
	Place Total			15.0	3.6	8.5	(6.5)	
Invest to Save Programme Total			15.0	3.6	8.5	(6.5)		
LIF Programme	Place	Waste, Recycling and Fleet	0.0	0.0	0.0	(0.0)		
		Local Infrastructure Initiatives	7.8	0.0	0.3	(7.5)		
		Local Environmental Projects	0.3	0.0	0.0	(0.3)		
		Environmental Health & Trading Standards	0.3	0.0	0.0	(0.3)		
		Public Realm Improvements	0.1	0.0	0.0	(0.1)		
LIF Programme Total			8.5	0.1	0.3	(8.2)		
Grand Total			172.8	37.0	114.0	(58.8)		

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Appendix E: 2022-23 Period 6 Forecast Outturn Housing Revenue Account Capital Programme Monitor

Theme	Directorate	Programme	Revised	Actual Amount	Current	Variance
			Budget £ 'm	£ 'm	Forecast £ 'm	Forecast vs Budget £ 'm
Approved Programme New Council 1,000 Homes	HRA	Ocean Block H Redevelopment	0.7	0.0	0.3	(0.4)
		New Supply - GLA Pipeline	24.2	12.3	24.2	(0.1)
		Housing New Supply	35.9	3.7	13.5	(22.3)
		Blackwall Reach	1.1	0.0	0.3	(0.8)
		Housing Capital Pipeline	32.6	0.2	3.1	(29.5)
		HRA S106 Purchases	0.0	0.0	0.0	(0.0)
		New Build (non housing element)	4.5	0.0	2.0	(2.5)
		Rooftops	7.8	0.0	0.2	(7.6)
Approved Programme HRA THH Projects	Place	Public Realm Improvements	2.2	0.1	0.5	(1.7)
Approved Programme Total			109.1	16.4	44.1	(65.0)
Approved Rolling Programme THH	THH	Capital Schemes-Housing	18.4	2.1	14.5	(3.9)
		Decent Homes Backlog Funding	9.6	(1.2)	7.9	(1.7)
Approved Rolling Programme Total			28.0	0.9	22.4	(5.6)
Grand Total			137.1	17.3	66.5	(70.6)

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<p>Cabinet</p> <p>14 December 2022</p>	
<p>Report of: Ann Sutcliffe, Corporate Director of Place</p>	<p>Classification: Unrestricted</p>
<p>Development of London Dock School – Appropriation for Planning Purposes and use of Section 203 Powers (Rights of Light)</p>	

Lead Member	Councillor Saied Ahmed, Cabinet Member for Resources and Cost of Living
Originating Officer(s)	Stephen Shapiro – Acting Director, Property and Major Programmes Roselyn Unegbu – Head of Capital Delivery Richard Fasunloye - Project Manager, London Dock School Erald Pula – Senior Property Lawyer
Wards affected	Wapping
Key Decision?	Yes
Reason for Key Decision	Financial threshold / Significant impact on wards
Forward Plan Notice Published	19 August 2022
Strategic Plan Priority / Outcome	3 - Accelerating Education

Executive Summary

- 1.1 This report seeks the agreement of the Mayor by way of report to Cabinet to authorise the Corporate Director of Place to appropriate for planning purposes under section 122 of the Local Government Act 1972 (“LGA 1972”) the Council’s property known as the London Dock School (“the Land”), edged red on the plan attached.

- 1.2 Appropriation is necessary for the purpose of facilitating the construction on the Land of a new secondary school building. The Council is the freeholder of the Land (which is held within the General Fund Land). The Council entered into an underlease on 7 August 2020 with St George (“the Underlease”), who are the developers as required by the terms of the Section 106 Agreement dated 26 March 2014, following which, Cabinet authority was received on 31 July 2019 to confirm the underlease C to permit the Council to provide education for 1,200 pupils.

- 1.3 Planning permission ref. **PA/19/00766** was approved by Planning on 18 February 2020. The main purpose was to provide a secondary school, with six forms of entry and a sixth form, a basement, public realm and school play space facilities, parking and associated highways works.
- 1.4 On a separate issue regarding the land, the Council is currently in discussions with St George and the Department for Education in respect of the final design and lease matters, notably the District Heat Network (DHN) and how the school is to be connected. However, one of the key issues which needs addressing is the requirement to appropriate the Land for planning purposes, which will override third party rights, including easements, covenants and in particular, Rights to Light which the Land is currently subject to. All third-party rights can be overridden by Section 203 of the Housing and Planning Act 2016 (“the Act”), subject to compensations being paid to affected parties.
- 1.5 The Council, through its Rights of Light consultants, Delva Patman Redler (“DPR”), has been investigating the effect that the Council’s proposed development will have on adjoining owners and has established that there are several parties that may have the benefit of Rights of Light, which will be affected by the new development. DPR have advised there are 7 potentially affected neighbouring buildings, one of which has raised the prospect of an injunction. See appendices for details and for the latest financial advice in respect of these claims.
- 1.6 To implement the development of the Land, it is necessary for the Council to appropriate it for planning purposes. The appropriation by the Council will allow the Council to interfere with the existing rights, but not affect the rights of third parties to compensation. Compensation negotiations are a time-consuming process and to ensure that the construction of the new schools on the Land are not delayed so that the pupils can move into the new school within the agreed timescales, approval is sought to appropriate to ensure that the development is not subject to injunction.
- 1.7 The approval of the Mayor is also being sought to authorise the Corporate Director of Place to negotiate and enter into final settlement agreements with affected parties regarding the level of compensation.
- 1.8 As highlighted in section 1.5 of this report, one of the parties within the 7 affected buildings claims that the development of the land will cause material interference with their rights of light and have issued a pre-action claim and potentially seeking an injunction against the development.
- 1.9 To resolve the issue of the injunction and other potential future claims it is recommended that the Council uses its powers to appropriate the Land under Section 122 of the LGA 1972, which would effectively override these Rights of Light claims under Section 203 of the Act.
- 1.10 Confidential/ exempt information is contained within the exempt Appendices 1, 4 and 5 as they detail information relating to the financial or business affairs of any person (including the authority holding that information).

1 RECOMMENDATIONS:

The Mayor in Cabinet is recommended to:

1. Delegate authority to the Corporate Director of Place to appropriate the Land for planning purposes in accordance with Section 122 Local LGA 1972 and the subsequent use of the Council's powers under s203-s206 of the Housing and Planning Act 2016 to override Rights to Light of neighbouring properties that may be infringed by the development of the Land.
2. Delegate authority to the Corporate Director of Place to agree any potential settlement of Rights of Light claims with an affected party, together with any associated/professional fees.
3. Authorise the Divisional Director, Legal to enter into any legal agreements considered necessary or desirable for the Council to put in effect the recommendations in this report.
4. Note that the cost of the proposed settlement of Rights of Light compensation payments and associated/professional fees will be met from the capital budget for the London Dock School scheme.

2 REASONS FOR THE DECISIONS

- 2.1 The Council has instructed a Rights of Light consultant DPR to carry out a detailed analysis to identify surrounding properties which would suffer an adverse impact to the level of light currently maintained. They have advised a total of **7** neighbouring properties are likely to experience potential Rights of Light infringements.
- 2.2 These 7 properties comprise:
 - sites owned by LB Tower Hamlets
 - A school
 - A block of flats
 - commercial offices
 - A recently developed mixed use block of ground floor commercial and residential upper parts
- 2.3 DPR have advised that the two sites owned by LBTH and the school have an education/social function use and therefore are not actionally affected
- 2.4 DPR has also assessed the level of light infringement to each individual property that is affected and provided details of the potential settlement budget for the release of these rights. Full details of the affected parties, settlement budgets as well as negotiations are set in the exempt Appendices. Due to the high risk of an injunction to prevent the scheme

being delivered and the associated settlement costs, the Council needs to consider appropriate use of its powers to mitigate these risks.

3 ALTERNATIVE OPTIONS

- 3.1 Do nothing option: if the Council decides not to appropriate the Land then there is the potential that affected private property owners could continue injunction proceedings which could stop the construction of the project or significantly delay its delivery. As a result, this would put at risk the Council's approved budget to deliver this scheme and impact the Council's education policy, whilst jeopardising 1,200 school places as part of this approved scheme.
- 3.2 If the development is not materially commenced 18 months from date of Underlease (being February 2022) St George can serve three months' notice to determine the Underlease. St George must pay the termination sum of £4 million plus. Legal has been informed by the project team that the works have "materially commenced".
- 3.3 If the development of the school is not completed entirely by the 7th November 2025, St George can serve three months' notice to determine, subject to St George paying the termination sum of four million pounds. There is however a desire to have completed the works in time for the academic year commencing September 2023
- 3.4 As detailed at paragraph 4.2, the works on the Land have commenced and if an injunction is ever pursued by an affected party, then the Council will have to pay compensations to the contractors.
- 3.5 The carrying out of the development is dependent upon adhering to a programme. That programme cannot be met unless those entitled to Rights of Light agree to infringements or the infringements are authorised by Section 203. The Council needs to maintain its programme to lawfully implement the development and enable the school to open for the 2023 academic year. If the proposed development were not to come forward due to an inability to implement the planning permission, the education policy for the borough would be in jeopardy as these places would need to be distributed across the Borough.

4 DETAILS OF THE REPORT

- 4.1 Increasing the supply of education provision is a significant priority for the London Borough of Tower Hamlets, with *Accelerating education* being a priority in the Strategic Plan 2022-26. The council has a statutory responsibility to ensure there are sufficient school places available for children and young people in the right areas and at the right time to meet demand, whilst maintaining a focus on high quality education as well as enabling a culture of high performing and financially sustainable schools. This includes both maintained and academy schools. London Dock has been identified by both the

council and Department for Education as a key development site for the provision of the additional secondary school places needed, in response to the borough's pupil population growth. London with a population of approximately 8 million people, is expected to grow to over 10 million over the next two decades.

- 4.2 In East and Southeast London, an increase of 600,000 is forecasted to reach a population of 2.9 million by 2031. The 2021 Census data showed that Tower Hamlets has the fastest growing population of any Local Authority Area across England and Wales. Between 2011 and 2021 the local population has grown by 56,200 (22.1%) to 310,300.
- 4.3 Tower Hamlets is the densest populated borough across England with 15,695 residents per square kilometre compared to an average of 424 per square kilometre in England – that is over 37 times higher than the mean average population for England.

Public Dialogue

- 4.4 The LGA 1972 and the Act do not set any specific procedure for implementing appropriation and the powers of Section 203 and there is also no statutory procedure for consultation for use of these powers. As a matter of good practice, the Council through DPR has contacted affected parties who are currently in discussions with their surveyors and other representatives, but there is some distance between their respective positions.

Costs and Professional Representation

- 4.5 Although it is not necessary for the Council to pay affected parties professional fees (legal and surveyor costs) it is prudent to do so to encourage parties to surrender rights voluntarily before the Section 203 takes effect. This approach has also been taken by private developers and Housing Associations in the past on the basis an agreed figure would be provided (to cover legal and professional fees) for the affected party to seek advice and caveated those further costs will only be paid upon successful completion of a deed of release/surrender before the Section 203 is implemented. This mitigates risk in terms of spending money without achieving the objective.

5 EQUALITIES IMPLICATIONS

None Anticipated

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 None Anticipated.

7 COMMENTS OF THE CHIEF FINANCE OFFICER

- 7.1 This report is seeking approval to appropriate for planning purposes under section 122 of the Local Government Act 1972 (“LGA 1972”) the Council’s property known as the London Dock School and the subsequent use of the Council’s powers under s203-s206 of the Housing and Planning Act 2016 to override Rights to Light of neighbouring properties that may be infringed by the development of the Land
- 7.2 There are seven neighbouring properties that are potentially impacted by Rights of Light and could be due payment and the scale of these payments have yet to be agreed. Any payments will represent capital expenditure
- 7.3 The approved capital budget for the delivery of the school is currently £62.7m, funded by £47m grant, £5m S106 and £10.7m CIL. A further £2.1m is currently being sought due to inflationary cost increases in delivering the project and if approved would increase the budget to £64.8m
- 7.4 Any costs associated with rights of light payment will need to be contained within the approved capital budget and additional budget sought if this is not possible.
- 7.5 The Council has instructed a Rights of Light consultant DPR to carry out a detailed analysis to identify surrounding properties which would suffer an adverse impact to the level of light currently maintained. They have advised a total of **7** neighbouring properties are likely to experience potential Rights of Light infringements.
- 7.6 DPR has also assessed the level of light infringement to each individual property that is affected and provided details of the potential settlement budget for the release of these rights. Full details of the affected parties, settlement budgets as well as negotiations are set in the exempt appendices. Due to the high risk of an injunction to prevent the scheme being delivered and the associated settlement costs, the Council needs to consider appropriate use of its powers to mitigate these risks.

8 COMMENTS OF LEGAL SERVICES

- 8.1 Legal Services have been consulted and comments as follows:
- 8.2 The Council has powers under Section 122 of the LGA 1972 to appropriate land belonging to the Council which is no longer required for the purpose for which it was held immediately before the appropriation, but such appropriation is “subject to the rights of other persons in over or in respect of the land concerned”. However, if the Land is appropriated to planning purposes, the Council has the power to interfere with those rights. The new purpose for which the Land is required is for the development and improvement of it in accordance with the planning permission granted.
- 8.3 Section 203 of the Housing and Planning Act 2016 says that a local authority can override easements and other rights affecting the Land such as rights of way and light that would impede the development.
- 8.4 There are four requirements that must be fulfilled in order for Section 203 to be used:
- a. the Land must be acquired or appropriated by a local authority for planning purposes (the Land will be appropriated);
 - b. there is planning consent for the building or maintenance work or use. planning permission has been obtained.
 - c. a local authority could (if not already the owner) acquire the Land compulsorily for the purposes of carrying out works (including construction and maintenance works), or for the use of the land permitted by the relevant planning consent.
 - d. the work or use in question relates to the purposes for which the land was appropriated.
- 8.5 The effect of Section 203 is to enable the development to proceed and authorises the interference of third-party rights. However, the Council is liable to pay compensation for any interference with a relevant right or interest or breach of a restriction that is authorised by Section 203 and this is addressed in Section 204.
- 8.6 Section 204(2) confirms that compensation should be calculated on the same basis as compensation payable under section 7 and 10 of the Compulsory Purchase Act 1965. The amount of compensation payable is the diminution in the value of the affected interest. Any dispute about compensation payable may be referred or determined by the Upper Tribunal.
- 8.7 One of the requirements for the use of Section 203 is that the relevant authority must show that “it could acquire the land compulsorily” (whether compulsorily or by negotiation for the purpose of the development in question). It will involve an interference with Human Rights under article 1 of protocol of the European

Convention on Human Rights and where residential properties are affected (right to peaceful enjoyment of your property), also under article 8 (right to family and private life). Prior to the use of Section 203, the intention is that private treaty negotiations will take place with those with an affected interest. A summary of these negotiations is provided as an exempt appendix. However, the right to peaceful enjoyment of property under article 1 is a qualified right and not an absolute right. Article 8 is also a qualified right and article 8(2) permits interference which is “in accordance with the law and is necessary in a democratic society in the interests of national security, public safety or the economic well-being of the country, for the protection of health and morals, or for the protection of the rights and freedoms of others.”

- 8.8 The Land benefits from planning permission and there are no further planning impediments. The approved scheme will contribute to the much-needed school provision for the borough and benefit those currently on the school register, with a temporary site for the 2022-23 academic year being used. Officers of the Council believe the benefits of the development outweigh the infringement of article 1 and 8. Officers have considered that the development will promote or improve the economic well-being, social well-being or environmental well-being of the area.
- 8.9 The risk of injunction arising from the Rights to Light held by neighbouring owners potentially interfered with by the development, means that the approved scheme may not proceed unless the Council resolves to exercise its powers to override these rights through appropriation to facilitate the development.
- 8.10 Without the exercise of appropriation, parties who are affected by the diminution of their Rights to Light have the ability to bring injunction proceedings to prevent the development. This could potentially halt the project and will definitely result in a delay to the delivery of the development.
- 8.11 Once the Land is validly appropriated to planning purposes and since planning permission has been granted, the Council will be empowered under Section 203 of the Act to override existing rights, without the possibility of legal challenge. Section 204 of the Act ensures that all Rights of Light claims are resolved by payment of statutory compensation to affected parties.

Linked Reports, Appendices and Background Documents

Linked Report

None

Appendices

1. Tracker for all 7 affected properties pertaining to stages for negotiation (restricted)
2. Plan for all 7 affected properties.
3. Technical plan prepared by AWH shown edged blue.

4. Technical table prepared by AWH which shows right to light reduction affecting 1 Telford, as a result of the development of the school (restricted)
5. Negotiation Detail Tracker (restricted)

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

None

Officer contact details for documents:

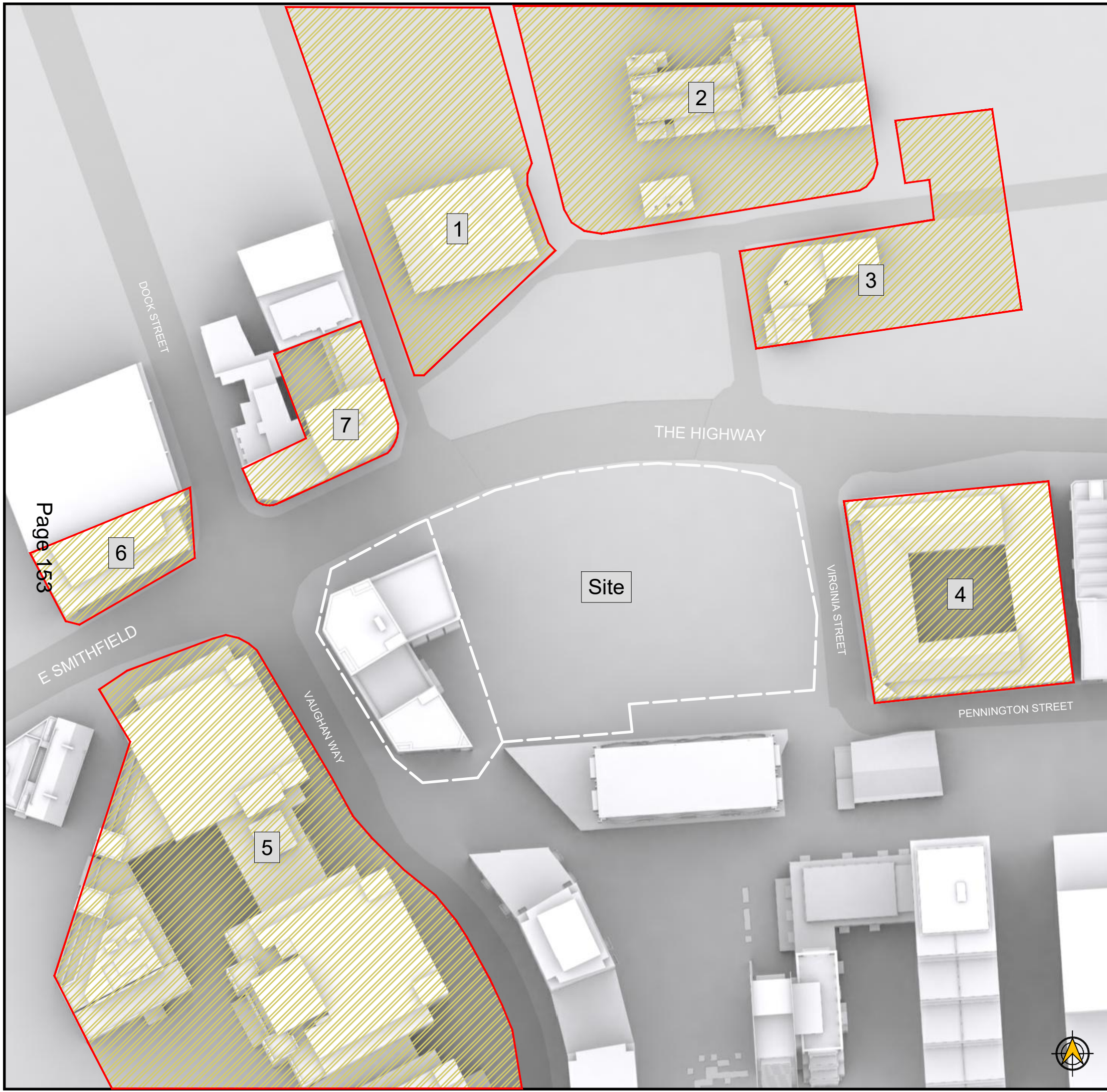
N/A

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Development Site:
London Docks, Hermitage Basin, Eastern Dock, Shadwell New Basin and Shadwell Old Basin and other Land and Buildings Adjoining
 Title Number: NGL279091
 Freehold: The Mayor and Burgesses of the London Borough of Tower Hamlets

NEIGHBOURING PROPERTIES CONSIDERED FOR ANALYSIS

- 1: Land and buildings on the east side of Ensign Street:
 Tile Number: NGL234398
 Freehold: The Mayor and Burgesses of the London Borough of Tower Hamlets
- 2: Land and Buildings at Wellclose Square:
 Tile Number: LN186341
 Freehold: The Reverend Charles Davey Weekes, George Edwards, Charles John Lane and Their Successors in Office the Vicar and Chapelwardens of the Ecclesiastical District of St. Pauls Dock Street Whitechapel
- 3: South and East Side of Wellclose Square:
 Tile Number: EGL168762
 Freehold: The Mayor and Burgesses of the London Borough of Tower Hamlets
- 4: Telfords Yard, 6-8 The Highway:
 Tile Number: EGL157189
 Freehold: Telfords Yard Freehold Limited
- 5: Apollo Court, 1 Thomas More Square:
 Tile Number: EGL295359
 Freehold: Thomas More Square S.A.R.L
- 6: Admiral House, 66-68 East Smithfield:
 Tile Number: EGL191391
 Freehold: The Royal Pharmaceutical Society of Great Britain
- 7: Units 1-3, 28 Ensign Street:
 Tile Number: EGL200172
 Freehold: London & Quadrant Housing Trust

NO DIMENSIONS TO BE SCALED FROM THIS DRAWING

KEY:

	Existing
	Proposed
	Neighbouring Property

SOURCE DATA:
 Existing and surrounding buildings:
 Survey:
 ROL; London Dock Site, The Highway, London, E1 2BB_1-12-17.dwg
 Planning Drawings:
 PA_16_02851_P2-BUILDING_D_GENERAL_ARRANGEMENT_PLAN_LEVEL_00-1256781 to 1256798

NOTES:

REV	Description	Drawn	Date
A	Property addition	VK	03.11.2021

DELVA PATMAN REDLER
 Chartered Surveyors
 London 020 7936 3668
 Liverpool 0151 242 0980
 Bristol 0117 450 9703
 www.delvapatmanredler.co.uk
 info@delvapatmanredler.co.uk

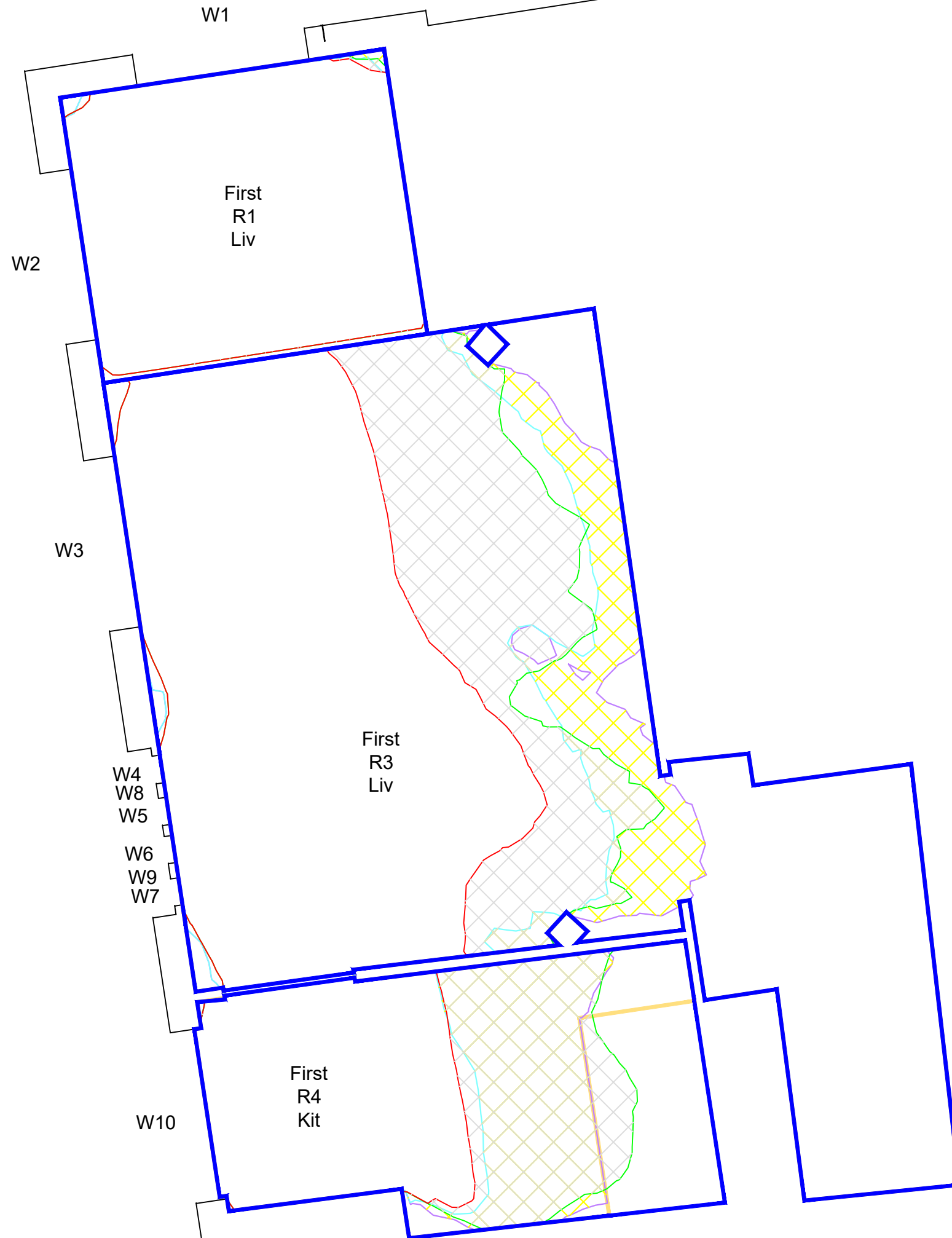
TITLE:
LONDON DOCK SECONDARY SCHOOL
 LONDON, E1W

DRAWING:
LOCATION PLAN











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SCALE: 1:1000@A3	17484
DATE: 13.02.2020	
DWG NO:	REV:
LOC-ROL-001	A



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Key

AWH		Point 2	
	Existing Contour		Existing Contour
	Proposed Contour		Proposed Contour
	Room Outline		Room Outline
	Area of Loss		Area of Loss
	R1		R1

Rights to Light

Client
Yugin & Partners Solicitors

yugin&partners
 solicitors

Project
 Former News International Site,
 1 Virginia St,
 Tower Hamlets, E98 1XY

Drawing Title
 Rights to Light Contours
 1 Telfords Yard (First Floor)
 Vs the Proposed Scheme

Drawn By	Checked By	Scale	Date
DKG	HS	NTS	02/02/2022
Project No./Drawing Type/Drawing No.			Release No.
00211_ RTL_01			1

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of the Local Government Act 1972.

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of the Local Government Act 1972.

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Agenda Item 6.4

Cabinet Decision 14 th December 2022	 TOWER HAMLETS
Report of: James Thomas, Corporate Director, Children and Culture	Classification: Unrestricted
Planning for School Places 2022/23 Review and Recommendations	

Proposed Decision Path (indicate) – Delete Section Before Publication:

	Step	Date
DLT Level (Tier One)	DLT	17 th October 2022
CLT Level (Tier Two)	CLT	15 th November 2022
Member Level (Tier Three)	MAB	30 th November 2022
Decision (Tier Four)	Cabinet	14 th December 2022

Proposed Decision Path (indicate) – Delete Section Before Publication:

Lead Member	Councillor Maium Talukdar, Cabinet Member for Education and Lifelong Learning
Originating Officer(s)	Terry Bryan, Service Head Pupil Access and School Sufficiency
Wards affected	All wards
Key Decision?	Yes
Reason for Key Decision	Significant impact on wards
Forward Plan Notice Published	[Insert date notice was published – see forthcoming decisions webpage]
Exempt information	N/A
Strategic Plan Priority / Outcome	Accelerating Education

Executive Summary

This report presents the annual review of the council’s planning for school places. It informs cabinet on the latest position and key factors influencing the borough’s pupil population change and the impact on projected pupil numbers for Tower Hamlets schools. It recognises some of the place planning challenges that this presents to the Local Authority and schools, particularly in relation to financial sustainability and other performance pressures. It outlines the strategic approach being taken to manage the supply and sustain the quality of school provision, through the implementation of the council’s School Organisation and Capital Investment Strategy.

It also provides an update on current school developments and the approach being taken to secure future school sites, for when they are needed.

Decision Type

Key Decision?	Urgent Decision?	Exempt from Call-In?	Restricted Report or Partially Restricted (e.g. appendix)?
Yes	No	No	No

Guidance Documents

Further details on the procedure for Urgent Decisions can be found in the [Intranet Library](#) and the [Guide to Report Writing guidance note](#).

Specific Issues for Pre-Decision Meetings

(Officers may use the following table to add points of note for internal meetings such as CLT, MAB or DMTs. Content can be deleted at any stage and, in any case, will be before publication for the decision making meeting.)

Directorate Leadership Team
Corporate Leadership Team
Mayor's Advisory Board
Communications

THIS SECTION TO BE DELETED BEFORE PUBLICATION

Recommendations:

This report summarises the action the council has taken, or is planning, to monitor and manage the supply of school places. Cabinet is therefore recommended to note the:

1. factors influencing pupil population change in Tower Hamlets;
2. latest pupil roll projections for Tower Hamlets and options for future school development sites to provide additional places, should they be required;
3. progress on the development of new and existing secondary school sites;
4. latest figures on SEN, current provision and sufficiency plan;
5. plans for the implementation of the council's School Organisation and Capital Investment Strategy;
6. the specific equalities considerations as set out in Paragraph 5.

1 REASONS FOR THE DECISIONS

- 1.1 The council is legally responsible for the planning and provision of school places across its local area. This responsibility includes:
- Ensuring there are sufficient school places (Education Act 1996).
 - As far as possible, complying with the preferences expressed by parents (School Standards and Framework Act 1998).
 - Increasing opportunities for parental choice (Education and Inspections Act 2006).
 - Providing fair access to educational opportunity (Education and Inspections Act 2006).
- 1.2 While the council is responsible for school place planning, changes to education legislation (2010 Academies Act and 2011 Education Act) altered the way in which new education provision can be established, with the council's role changing from being a direct provider of school places to being a strategic commissioner. This , means that, when the borough is in need of a new school, the council must now seek proposals for an academy or free school. A traditional council run community school will only be allowed when no suitable free school or academy is proposed. This is commonly known as the free school presumption, whereby the council is required to:
- Publish and invite proposals from academy sponsors to establish a new 'free school'¹ (academy);
 - Carry out an assessment of the proposals; and
 - Put forward recommendations to the Regional Director (London), who acts on behalf of the Secretary of State for Education.
- 1.3 Regional Directors' are government appointed senior civil servants who are now responsible for overseeing the performance of schools and academies, children's social care and special educational needs and disabilities services in the various regions of England.
- 1.4 The Regional Director's main responsibilities in respect of school organisation and place planning include:

¹ DfE [Free Schools](#) (England)

- supporting local authorities to ensure that every local area has sufficient places for pupils;
- deciding on academy sponsors to run new free schools;
- deciding on applications from local authority maintained schools to convert to academy status;
- addressing underperformance in schools and academies, offering support and, where necessary, intervening to deliver rapid improvement. This includes the power to require a local authority (council) maintained school, judged 'inadequate' by Ofsted, to convert to academy status and become part of a multi academy trust (MAT);
- taking decisions on the creation, consolidation and growth of multi-academy trusts (MATs).

1.5 The council will therefore work with the Regional Director and a variety of partners, including council maintained and academy schools, to ensure that enough school places are available for children and young people in the right areas and at the right time to meet demand. Whilst doing so it must also seek to maintain a focus on high quality education as well as enabling a culture of high performing and financially sustainable schools.

1.6 In meeting its responsibility to ensure sufficiency the council is required to address both deficit and surplus school places across the education estate. The council will therefore consider how best to organise schools for the efficient and effective delivery of education. Any revenue benefit that results from changes to the education estate is then redistributed to schools through the school funding formula.

1.7 Proposals to provide additional school places will often require long-term planning to implement e.g. opening a new school, expanding an existing one or increasing provision for children with special educational needs. Evidence about the projected need for places must therefore be robust and reviewed regularly, in order to identify emerging need and new projects to inform the council's sufficiency strategy.

1.8 The content of this report aligns with the functions of the council as a Local Planning Authority, and the approach taken to make best use of the current allocation of school development sites in the Local Plan.

2 ALTERNATIVE OPTIONS

2.1 An alternative would be to do nothing to manage the supply of school places. This would likely result in the council having to take a number of short term measures. Dealing with under-provision would require action to quickly provide additional places in the form of bulge classes at existing schools or expansions into temporary buildings. Dealing with over-provision would require action to financially support schools who are unable to balance their budgets to maintain quality education. These measures can address issues in the short-term, but they do not provide best value and should not be viewed as a sustainable approach to managing demand for school places.

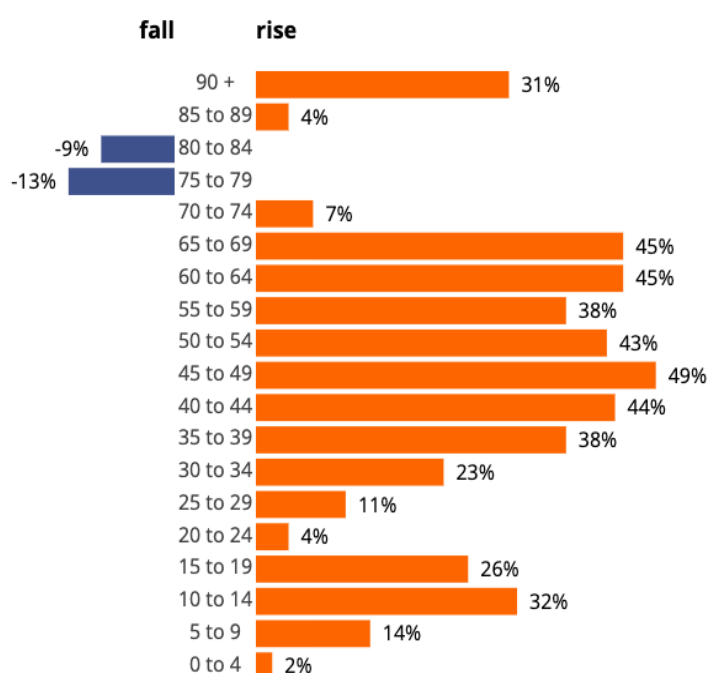
3 DETAILS OF THE REPORT

Background and Context

- 3.1 The demand for school places is driven by pupil population growth, migration levels and housing development. Tower Hamlets has seen the biggest general population increase in England. Between 2011 and 2021, the population grew by more than 22%. This compares to 6.6% for England as a whole over the same period. However, for the 0-4 age group, the increase has only been 2%, as can be seen from Figure 1 below. Hence, despite the overall rise in the general population, there has been little growth in the pre-school population.

Fig 1.

Population change (%) by age group in Tower Hamlets, 2011 to 2021

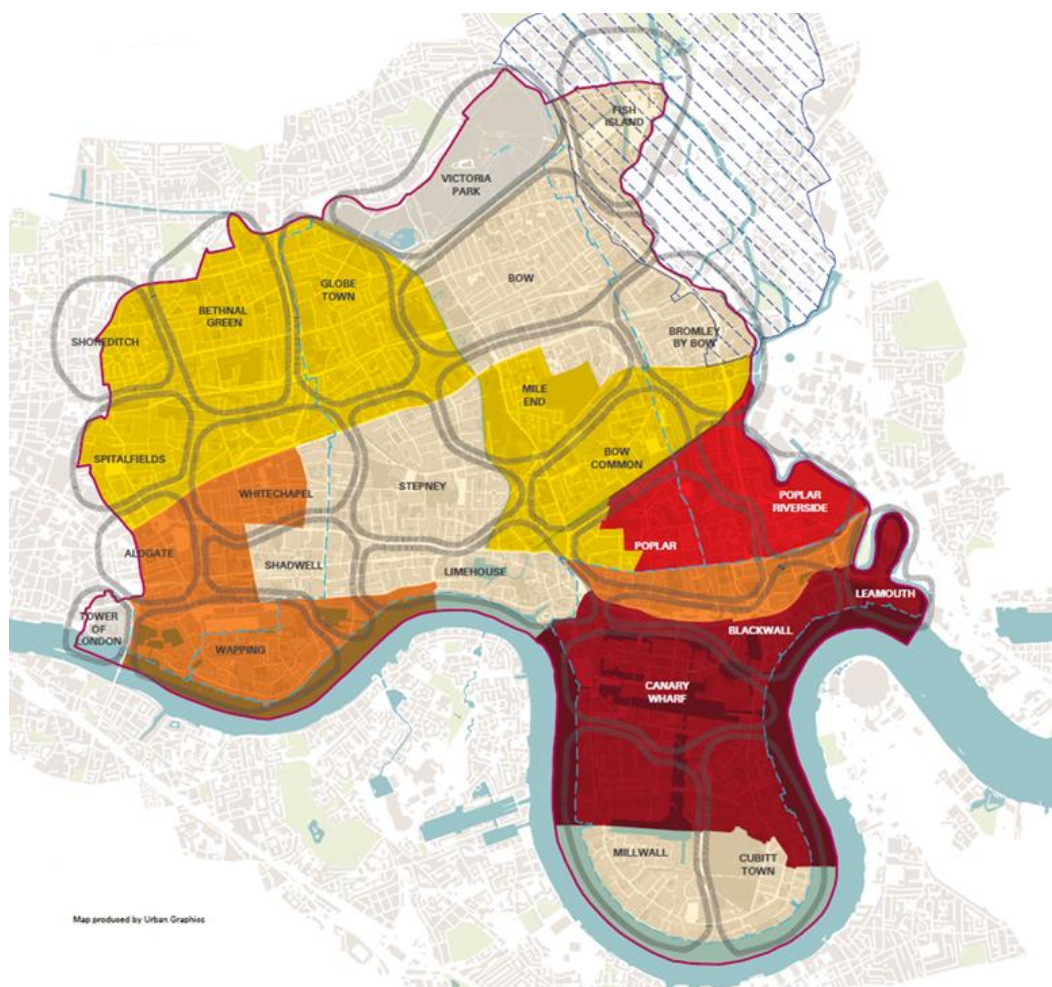


- 3.2 The pupil population increases between the 2011-2021 census also appear to have happened, mainly, in the first half of the decade. Over the remaining period, the general population growth has not translated into a need for additional primary school places, as is the case in most local authorities across London. Instead, we have seen flat primary pupil growth since 2016 and declining numbers since 2019. These changes, brought on by falling birth rates and a net outflow of primary school children, meant that previous school place expansions, composed during the earlier years of population growth increases, resulted in an oversupply of places at primary schools in some parts of the borough.
- 3.3 Further causes behind falling primary pupil numbers could be related to Brexit and other migration factors, the smaller pupil yields from the social and affordable housing stock within Tower Hamlets, the Covid pandemic or possibly the UK governments two-child policy², which limits benefits payments to the first two children born to the poorest households. More research is being undertaken to determine what is driving these changes in Tower Hamlets and across London.

² Two Child Policy' Universal Credit: support for a maximum of 2 children

- 3.4 The Tower Hamlets population change has been intensified by the decline in primary pupil numbers in the west of the borough, contrasted by a rise in the east, as the population balance shifts in line with the new areas of housing growth. The result leaves some schools in Bethnal Green and Stepney with significant capacity surpluses, causing financial sustainability and other performance pressures. The council's strategy for addressing this issue is outlined from paragraph 3.65 below.
- 3.5 The council has managed well with its most recent primary pupil projections, when looking at borough-wide numbers. However, it is the variances at the individual planning area levels that is of most concern. The causes behind the now lower than expected pupil projections in the east are now subject to further investigation, given the relatively large scale housing development in Poplar and the Isle of Dogs.

Fig 2. Distribution of Housing Growth in Tower Hamlets - LBTH Local Plan (2016 -3031)



KEY

-  London Borough of Tower Hamlets boundary
-  Character place
-  Sub area boundary
-  Very low growth (0 – 1,000 units)
-  Low growth (1,001 – 2,000 units)
-  Medium growth (2,001 – 3,000 units)
-  High growth (3,001 – 4,000 units)
-  Very high growth (+4,000 units)
-  London Legacy Development Corporation
-  Water space

3.6 Tower Hamlets has had continuous growth in the secondary school sector, in line with the earlier rises in the primary population, combined with a net in-migration for this age group. The secondary school population rose steadily, year on year, in the five-year period from 2016. The council is better positioned to plan increases and make adjustments to the supply of secondary school places, in response to changes in the primary population. This reduces the potential for future oversupply in the secondary sector whilst retaining the flexibility to provide additional places quickly, should the need arise.

Drivers for the Borough's Pupil Population Change

3.7 An assessment of the three key drivers influencing the changes in the borough's pupil population is as follows:

(i) Birth Rates

3.8 In recent years we have seen a steady decline in the birth rate in Tower Hamlets and across London, which has been evident in our schools from around 2016 as those born in 2012 and onwards reach school age. From 2012 - 2020 live births in Tower Hamlets fell by almost 500 from 4,784 to 4,291. This was in line with the changes seen in the birth rate across London.

3.9 The Office for National Statistics (ONS) provisional birth figures for 2021, using NHS Birth Notifications, indicate that births in Tower Hamlets have increased slightly from the previous two years. Although these figures have not yet been confirmed.

Fig 1. ONS Actual Births for LBTH (2012 to 2020) and Provisional LBTH Births in 2021

Area	2012	2013	2014	2015	2016	2017	2018	2019	2020 ³	2021 ⁴
LBTH	4,784	4,608	4,622	4,560	4,592	4,604	4,381	4,307	4,291	4,381
London	134,186	128,332	127,399	129,615	128,803	126,308	120,673	117,897	111,688	110,961

3.10 The last set of birth projections produced by the Greater London Authority (GLA) in 2020, although very accurate for London, indicate that the 2021 birth rates for Tower Hamlets would be much lower than those being provisionally reported by the ONS. The GLA's next update may therefore see a revision to the Tower Hamlets birth projections with the potential for these to be higher than previously indicated.

Fig 2. GLA Projected Births for LBTH (2021 -2030)

Area	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
LBTH	4,115	4,016	4,043	4,065	4,075	4,080	4,094	4,120	4158	4209
London	110,975	107,549	107,646	107,822	107,810	107,723	107,839	108,208	108,876	109,851

(ii) Pupil Migration

3.11 The impact and contribution of domestic and international migration is an important factor in pupil population levels. Tower Hamlets has experienced historically higher rates of net migration compared to many other local authorities in London and England. We are accustomed to seeing significant movement within the school population with very high numbers of 'in-year' school admissions.

³ ONS available data is until 2020

⁴ ONS Provisional Births using NHS Birth Notifications

3.12 The two charts below show the borough's recent and projected pupil net migration rate (domestic and international) for both the pre-school and primary age range. We can see the negative (outward) net migration rate for this age group. This means that more pre-school and primary age children are moving out of the Tower Hamlets area than moving in. This negative net migration trend is expected to continue.

Fig. 3 Total Net Migration Projection: Tower Hamlets (age 0-4)

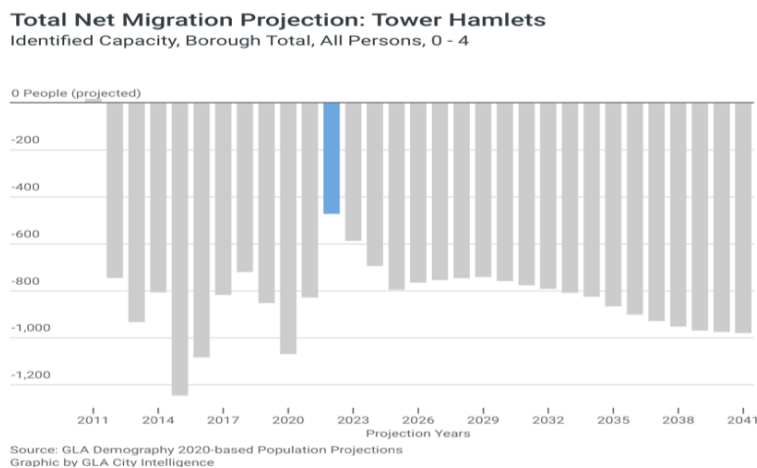
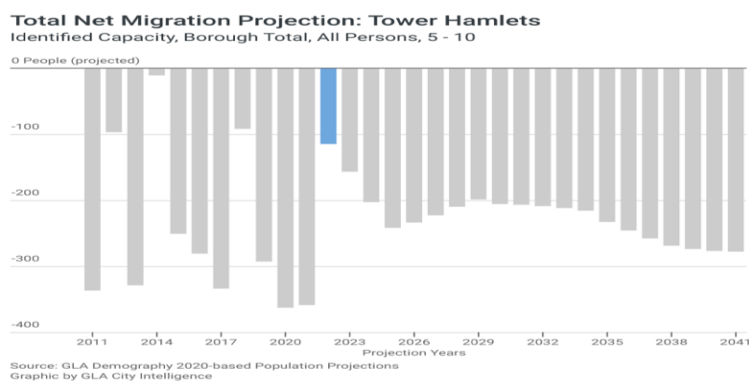
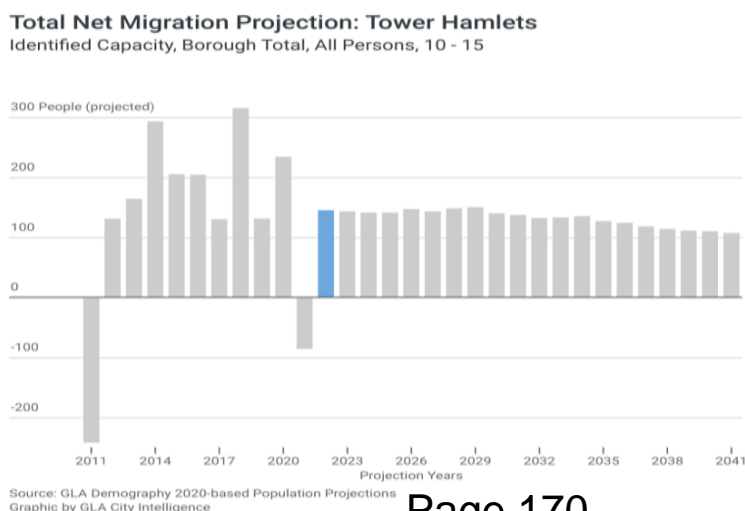


Fig. 4 Total Net Migration Projection: Tower Hamlets (age 5-10)



3.13 In the secondary age range the situation is reversed. With the exception of the 2021 negative net migration, affected by the mobility restrictions caused by the Covid pandemic, we should expect to see a positive net migration from 2022 onwards based on the GLA's projections. This means more secondary aged children moving into the borough than out.

Fig. 5 3 Total Net Migration Projection: Tower Hamlets (age 10-15)



(iii) Housing Development

- 3.14 A significant element in the planning for pupil population growth is the number of children likely to arise from new housing developments and the associated need for school places. Referred to as the 'pupil yield' factor. This calculation is based on the Borough's Local Plan development trajectory, which draws on existing housing project planning permissions, planning applications, and Strategic Housing Land Availability Assessment (SHLAA) sites - a technical exercise to determine the quantity and suitability of land potentially available for housing development. This data is then factored into the pupil projection model, alongside school rolls, birth data, migration flow and the cohort survival/take up rates, which then produces the final set of information.
- 3.15 Tower Hamlets has a housing supply target of around 59,000 additional homes to be built across the borough between 2016 – 2031. The map at paragraph 3.5 shows where these new housing developments are planned, with most major developments concentrated in the Southeast. A further factor to consider is the actual level of pupil yield from new developments. Given the lower than projected primary pupil numbers in some areas with more intense housing development, with most major developments concentrated in the Isle of Dogs, Poplar and to a lesser extent Wapping. Given the lower than projected primary pupil numbers in these areas further investigation is being undertaken to understand the 'pupil yield factor' in these neighbourhoods. This is considered in more detail in the section on pupil projections later in this report.

School Place Planning Areas

- 3.16 For primary school place planning purposes, Tower Hamlets is divided into six planning (catchment) areas, shown on the map at Appendix 1. For secondary schools, we use the whole borough as a single planning area. The demand for places within these planning areas is discussed in detail below.

Pupil Numbers Forecasting (Projections Methodology and Approach)

- 3.17 The council commissions school roll projections from the Greater London Authority (GLA), along with most other London boroughs. GLA have access to data on all pupils in London (via the National Pupil Database) which enables them to model movements across borough boundaries in a way that would be difficult for an individual local authority. Projections are run each year in May/June using information based on demographic trends (e.g. births, and migration); the borough's housing development trajectory; and the flow of pupils from their ward of residence (including those out of borough) to each school.
- 3.18 The council uses six sets of pupil projections based on high, medium and low migration and on a one year or four year historical reference. The council prefers the high migration set, which produces a more modest pupil growth projection in line with the current local and national trends. Detail on the projections model along with a flow diagram is provided in Appendix 2.
- 3.19 Tower Hamlets being a densely populated urban area with high mobility, alongside large scale housing development, is accustomed to significant degrees of variability in its pupil projections. The borough's pupil place planning strategy is therefore required to exercise the necessary caution and flexibility to manage these variables, mindful of the expectations of school leaders and the other key stakeholders.

Primary School Places

(a) Current Position and Projected Need

- 3.20 The overall demand for primary school places at reception has reduced significantly in the six years since 2016.

Table 1 Reception Year Admissions (Sept entry)

Reception Year Applications for Sept Entry	2016	2017	2018	2019	2020	2021	2022
	3405	3305	3329	3169	3348	3311	3213

- 3.21 In the January 2022 census there were 23,264 pupils in Tower Hamlets primary schools. Although this represents a marginal increase over the period between 2016 and 2022, primary schools rolls have, in effect, been falling since 2019.
- 3.22 Considering these numbers by school planning area we can see that Bethnal Green and Stepney are the areas where numbers have declined most significantly in recent years, although Wapping is not far behind.

Table 2 Primary Schools Rolls By Planning Area

Primary School Rolls By Planning Area 2016 – 2022 (Jan census)									
Year	Stepney	Bow	Poplar	Isle of Dogs	Wapping	Bethnal Green	Total	+/-	%
2015/16	5,327	2,664	5,230	2,526	3,157	4,200	23,104	N/A	N/A
2016/17	5,428	2,690	5,435	2,661	3,114	4,117	23,445	341	1.5%
2017/18	5,405	2,687	5,582	2,769	3,046	3,983	23,472	27	0.1%
2018/19	5,417	2,709	5,722	2,787	3,014	3,860	23,509	37	0.2%
2019/20	5,240	2,732	5,800	2,804	2,952	3,742	23,270	-239	-1.0%
2020/21	5,003	2,745	5,979	2,844	2,970	3,801	23,342	72	0.3%
2021/22	5,074	2,795	5,992	2,666	2,957	3,780	23,264	-78	-0.3%
								160	0.7%

+/- Column shows increase/decrease from previous year

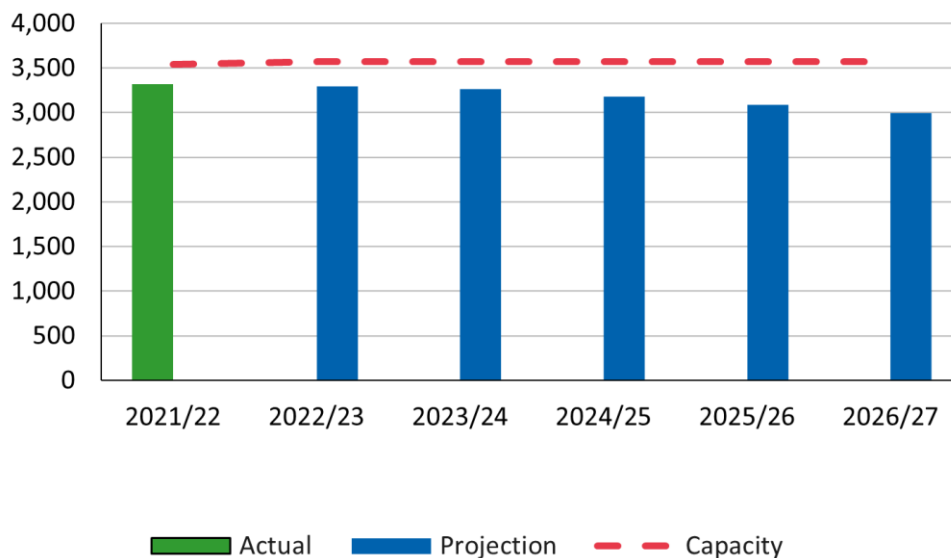
% Column show percentage increase/decrease from previous year

- 3.23 The latest round of borough projections for the reception year indicate that the primary school population will decrease throughout the next five year period, with the reception year intake reaching a low of 2,998 by 2026/7.

Table 3 Reception Year Projections

Reception Year Projections (Borough)							
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	
Actual (Jan Census)	3,316						
Projection	3,386	3,297	3,266	3,177	3,086	2,998	
Capacity	3,541	3,571	3,571	3,571	3,571	3,571	
Variance	Pupils	225	274	305	394	485	573
	FE	7.5	9.1	10.1	13	16.2	19.1
	%	6%	8%	9%	11%	14%	16%

Reception Projections (Borough)



- 3.24 The assessment of each school planning area, presented later in this report, will show the variability across the borough. Within each planning area there is also the variability in parental preference with some schools filling all or most of their reception places, whilst others are significantly undersubscribed. This decline in primary reception pupil numbers is being experienced by local authorities across London. On average, London boroughs are predicted to see a 7.4% decrease in reception pupils over the next five years with numbers predicted to fall from 104,054 to 96,082.
- 3.25 There is, as ever, a note of caution on these projections, in terms of continued sufficiency/surplus of places, given the current volatility of the pupil population across London. As mentioned earlier, Tower Hamlets has seen an unexpected marginal increase in its fertility and birth rates in the 2021 calendar year and although this, by no means, can be considered the beginning of an upward trend, it would be short sighted not to allow for further unexpected changes to occur in the future.
- 3.26 If the predicted fall in reception numbers for Tower Hamlets were to materialise it would result in a substantial surplus of school places, despite the significant reductions to primary school capacity that followed from the earlier review of primary school places in 2019/20. The council will therefore need to contingency plan to make further reductions to its primary school places in certain areas of the borough in the coming years. It will shortly begin a new round of discussions with school leaders about the potential for reducing capacity as part of the council's School Organisation and Capital Investment Strategy.
- 3.27 In recognition of the inevitable peaks and troughs in demand for school places, the council will always first look to propose a series of temporary reductions rather than permanent changes. This approach will seek to avoid any permanent closures of school buildings to ensure there is enough spare accommodation to allow for a response, should numbers rise in future. In doing so the council will look to see, if and how educational buildings might be used to continue to meet rising demand in other educational areas. This will include alternative and SEN provision as required as well as how the council can help to expand the community services currently provided for children and families.

3.28 We now look at the current position in each of the borough's primary school planning (catchment) areas.

Planning Area 1 (Stepney)

3.29 The school roll projections for Stepney in 2021/22 estimated the pupil number to within 6 (679 as compared to the January census of 685 pupils).

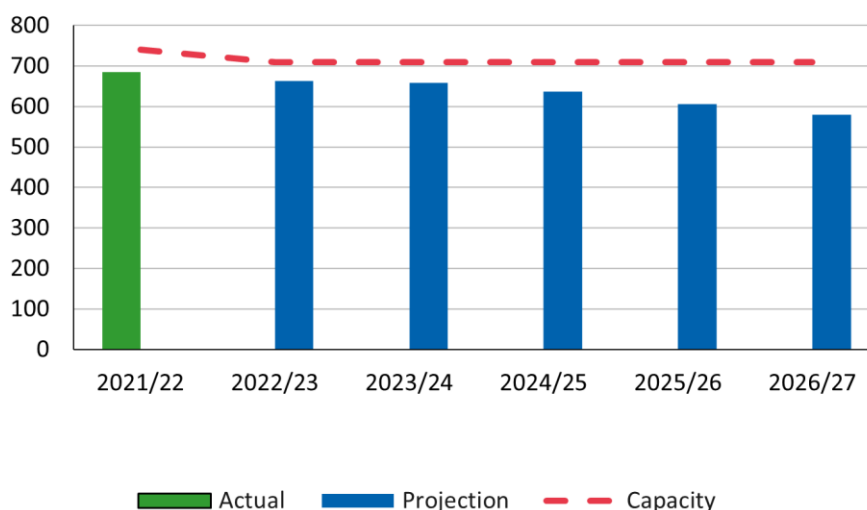
3.30 There are currently 740 reception places in the Stepney planning area. In the January 2022 census there were 55 unfilled places, a reduction from the 81 unfilled places in January 2021, and the 240 unfilled places that was recorded in the January 2020 census. Removing the unnecessary surplus was achieved through a range of school organisation changes, including school mergers, closures and reductions to schools planned admission numbers

3.31 The latest round of pupil projections for Stepney indicates that, despite these earlier school organisation changes, the current surplus of 7% will likely increase over the next few years, reaching as high as 18% by January 2027. Given that the council's target surplus is no more than 10%, this continued fall in pupil numbers will likely require the council and school leaders to, again, plan new measures to reduce the surplus capacity in this Planning Area.

Table 4 Reception Year Projections PA1

Planning Area 1 – Stepney (INCLUDES BOTH BONNER SCHOOL SITES)							
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	
Actual (Jan Census)	685						
Projection	679	663	659	636	606	579	
Capacity	740	710	710	710	710	710	
Variance	Pupils	55	47	51	74	104	131
	FE	1.8	1.6	1.7	2.5	3.5	4.4
	%	7%	7%	7%	10%	15%	18%

Reception Projections: PA1 (Stepney)



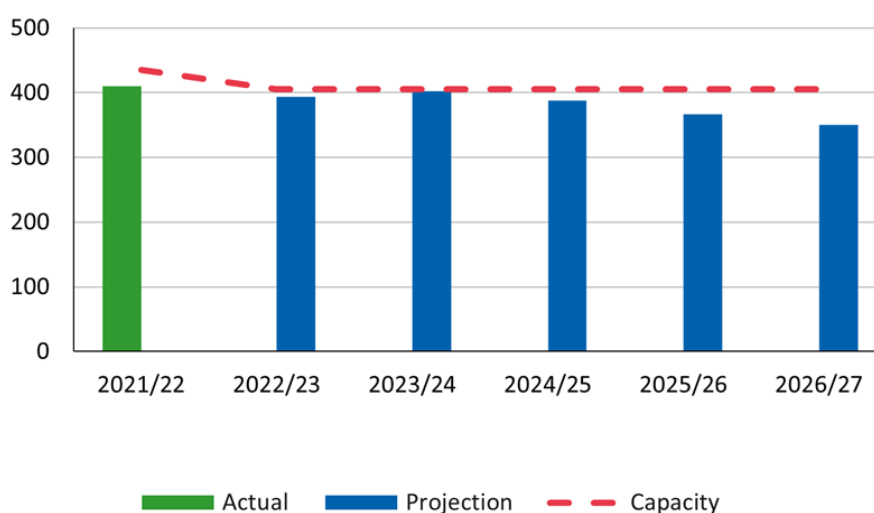
Planning Area 2 (Bow)

- 3.32 The GLA School roll projections for Bow in 2021/22 estimated the pupil number to within 6 (416 as compared to the January census of 410 pupils).
- 3.33 There are currently 405 Reception places available in the Bow catchment area. In January 2022 there were 25 unfilled places. The number of unfilled places is expected to be as low as 11 (3%) in January 2023. However, with pupil numbers expected to fall over the next five years there is the potential for a surplus of 14% by 2026/27. If this transpires it will be necessary for the council to plan with school leaders the measures to be taken to reduce the excess surplus in this area.

Table 5 Reception Year Projections PA2

Planning Area 2 - Bow		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Actual (Jan Census)		410					
Projection		416	394	402	388	367	350
Capacity		435	405	405	405	405	405
Variance	Pupils	25	11	3	17	38	55
	FE	0.8	0.4	0.1	0.6	1.3	1.8
	%	6%	3%	1%	4%	9%	14%

Reception Projections: PA2 (Bow)



Planning Area 3 (Poplar)

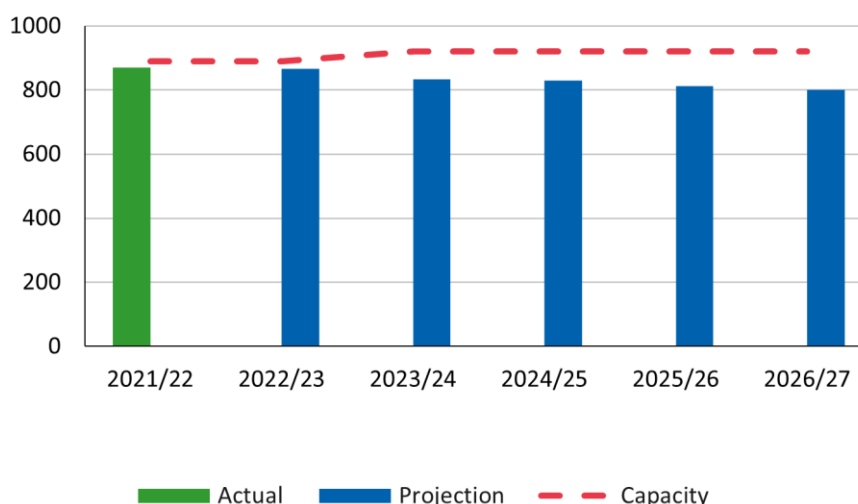
- 3.34 The school roll projections for Poplar last year estimated the number of pupils to within 4 (865 as compared to the actual January census of 869 pupils).
- 3.35 There are currently 890 Reception places in the Poplar area. In January 2022 there were 21 unfilled places. In last year's projections, numbers were expected to increase to above 900 by 2024, in line with the large scale housing development in Poplar. Plans are therefore in place to increase capacity in this area to 920 places from September 2024 through the 1FE expansion of an existing primary school. However, in the 2022 updated projections, pupil numbers in Poplar are projected to decline and by as much as 69 pupils by January 2027, causing a potential surplus capacity of above 10%. The council is currently investigating what is causing this

unexpected projected downturn in pupil numbers, giving the high density of new housing in development and planned for the Poplar area.

Table 6 Reception Year Projections PA3

Planning Area 3 - Poplar		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Actual (Jan Census)		869					
Projection		865	865	834	830	811	800
Capacity		890	890	890	920	920	920
Variance	Pupils	21	25	56	90	109	120
	FE	0.7	0.8	1.9	3.0	3.6	4.0
	%	2%	3 %	6%	10%	12%	13%

Reception Projections: Poplar (Catchment 3)



3.36 In the event that there is a future significant increase in the pupil population growth in Poplar, the council has a new 2FE school development site option available at:

- Blackwall Yard, E14 (2FE)

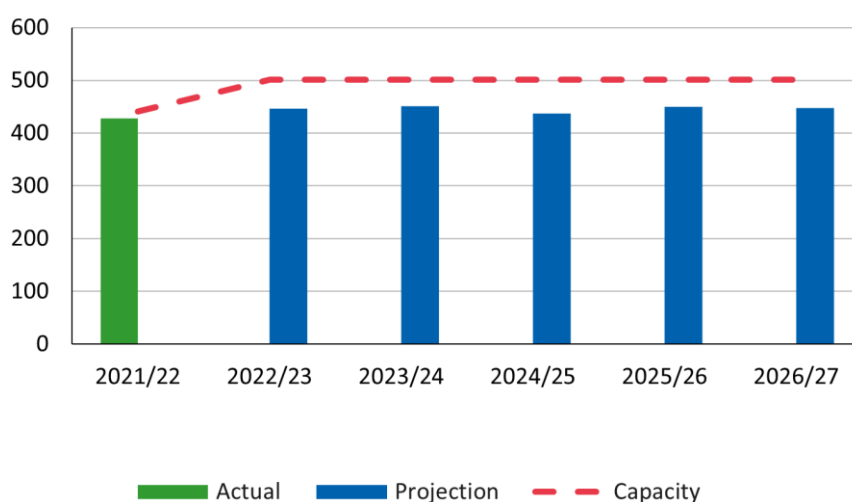
Catchment Area 4 (Isle of Dogs)

3.37 The school roll projections for the Isle of Dogs last year over-estimated the actual number of pupils by 45 (473 as compared to the 428 pupils in the January census). In fact, the numbers of pupils in the January 2022 census were slightly lower than the number in the January 2021 census (433). This is obviously a significant overestimation and is perhaps confirmation that the new housing development is not yet filling out at the rate previously anticipated. However, what is certain is that the Isle of Dogs is the borough planning area with the highest density of new housing in development and we would expect to see a growth in pupil numbers over the longer period. At the moment the projections indicate that the number of surplus places will exceed 10% and 11% per cent for the next five year period.

Table 7 Reception Year Projections PA4

Planning Area 4 - Isle of Dogs		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Actual (Jan Census)		428					
Projection		473	446	451	437	450	448
Capacity		441	501	501	501	501	501
Variance	Pupils	13	55	50	64	51	53
	FE	0.4	1.8	1.7	2.1	1.7	1.8
	%	3%	11%	10%	13%	10%	11%

Reception Projections: PA4 (Isle of Dogs)



3.38 Should the expected volume of new housing lead to a significant increase in the number of pupils in the Isle of Dogs in future, there are three potential development sites for additional school places that could be delivered within the Local Plan period through to 2031, as follows:

- Millharbour, E14
- Crossharbour Town Centre, E14
- Limeharbour (Skylines Village), E14

Catchment Area 5 (Wapping)

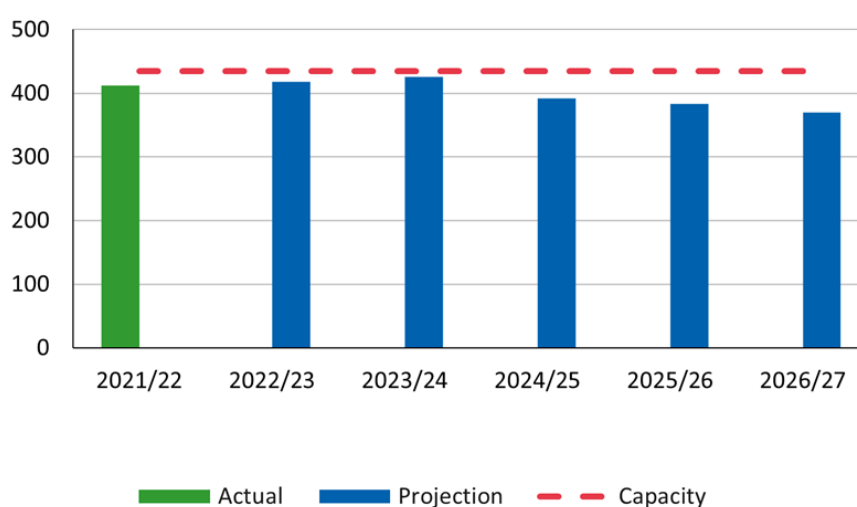
3.39 The school roll projections for Wapping last year over-estimated the actual number of pupils by 25 (437 as compared to the 412 pupils in the January census).

3.40 The numbers of pupils in Wapping are currently projected to reduce over time creating a surplus of above 10% by 2025/26. However, it should be noted that Wapping is also an area with significant levels of planned new housing development. It is therefore necessary to wait and see how the roll out and occupation of new housing development will impact pupil numbers going forward.

Table 8 Reception Year Projections PA5

Planning Area 5 - Wapping		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Actual (Jan Census)		412					
Projection		437	418	426	392	383	370
Capacity		435	435	435	435	435	435
Variance	Pupils	23	17	9	43	52	65
	FE	0.8	0.6	0.3	1.4	1.7	2.2
	%	5%	4%	2%	10%	12%	15%

Reception Projections: PA5 (Wapping)



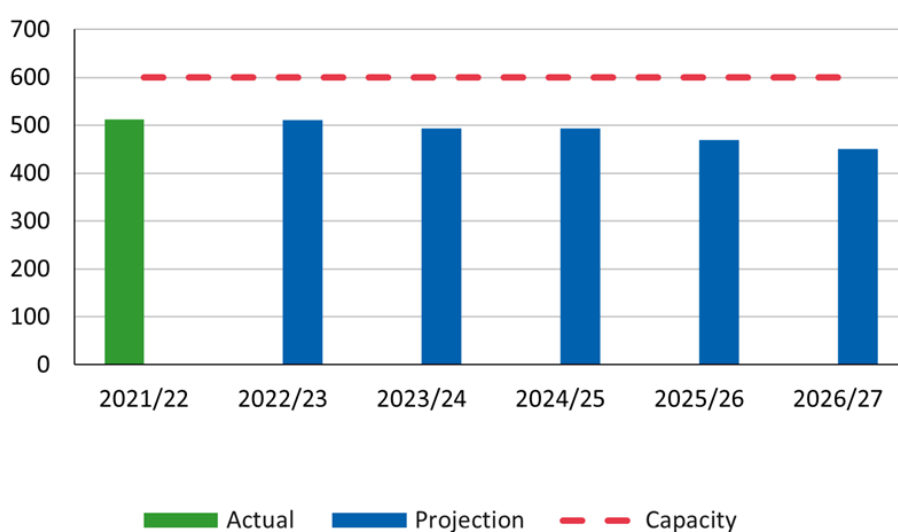
Catchment Area 6 (Bethnal Green)

- 3.41 The GLA School roll projections for Bethnal Green in 2021/22 estimated the number of pupils in Bethnal Green to within 4 (512 as compared to the 516 children in the January census).
- 3.42 In January 2022 there were 88 unfilled places in Bethnal Green a reduction from the 108 unfilled places in January 2021. However, the number of reception pupils in Bethnal Green are expected to gradually reduce over the next five year period with the surplus capacity reaching 25% by 2026/27. There is some limited housing development planned for this area but most of this is already in delivery. Although this offers the potential for an uplift in pupil numbers it is unlikely to significantly reduce the expected high level of surplus.
- 3.43 The council and school leaders have previously taken measures to significantly reduce the excess surplus in this area by reducing the overall capacity from 740 to 600 places, resulting in the closure of one primary school and reductions to the published admission numbers at others. However, with the latest set of projections, it is now necessary to contingency plan for further reductions, as part of the council's school organisation and place planning activities.

Table 9 Reception Year Projections PA6

Planning Area 6 – Bethnal Green		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Actual (Jan Census)		512					
Projection		516	511	494	494	469	451
Capacity		600	600	600	600	600	600
Variance	Pupils	88	89	106	106	131	149
	FE	2.9	3.0	3.5	3.5	4.3	5.0
	%	15%	15%	18%	18%	22%	25%

Reception Projections: PA6 (Bethnal Green)



Secondary School Places

(a) Current Position and Projected Need

- 3.44 Secondary school places in Tower Hamlets are planned for on a borough-wide basis, as it recognised that secondary pupils are able to travel independently to schools across the borough, according to their particular school preferences.
- 3.45 Tower Hamlets has been experiencing a gradual increase in admissions for entry to Year 7 in line with the previous growth, as follows:

Table 10 Year 7 Admissions (Sept entry)

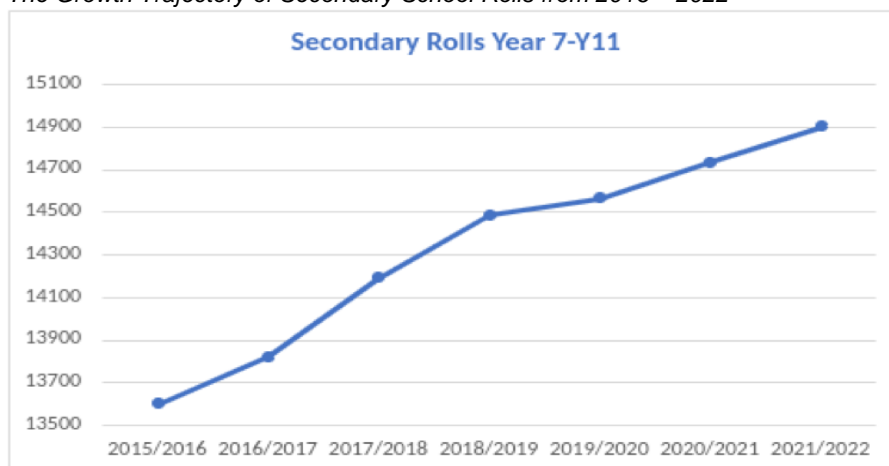
Year 7 Applications for Sept Entry	2016	2017	2018	2019	2020	2021	2022
	2738	2878	2995	3069	2976	3016	3047

- 3.46 Tower Hamlets secondary rolls (Y7 -Y11) have also been steadily increasing year on year since 2015/16 with an overall 9.6% growth. This growth is expected to continue for the time being as some of the existing primary population progress through to the secondary phase, along with the increased levels of positive net migration. However, secondary rolls will eventually flatten in line with the recent changes in the primary school population. This is reflected in the Year 7 pupil projections below.

Table 11 Secondary Rolls (Y7-11)

Secondary School Rolls (Y7-Y11) 2016-2022								
Year	7	8	9	10	11	Total	+/-	%
2015/2016	2,936	2,837	2,704	2,627	2,496	13,600	N/A	N/A
2016/2017	2,838	2,937	2,824	2,681	2,540	13,820	220	1.6%
2017/2018	2,952	2,869	2,929	2,818	2,625	14,193	373	2.7%
2018/2019	2,908	2,978	2,906	2,933	2,762	14,487	294	2.0%
2019/2020	3,007	2,902	2,954	2,846	2,856	14,565	78	0.5%
2020/2021	2,974	3,051	2,927	2,965	2,816	14,733	168	1.1%
2021/2022	2,919	2,963	3,103	2,978	2,940	14,903	144	0.9%
							1,303	9.6%

The Growth Trajectory of Secondary School Rolls from 2016 – 2022



- 3.47 The latest round of GLA projections for Year 7 indicate that the previous pattern of growth will slow, with pupil numbers peaking above 3000 in the 2023/24, with a small drop off in 2024-2027, and picking up again from 2027.

Table 12 Year 7 Projections

Year 7 Pupil Projections: Tower Hamlets Totals									
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	
Actual (Jan census)	2,919								
Projection	3019	2,922	3,029	2,964	2,881	2,859	2,925	2,940	
Capacity	3,113	3,113	3,293	3,203 ⁵	3,203	3,203	3,263	3,263	
Variance	Pupils	221	191	264	239	32	344	338	323
	FE	7	6	9	8	11	11	11	11
	%	7%	6%	8%	9%	10%	10%	10%	10%

⁵ Takes account of plans for a PAN reduction at Bishop Challoner School(s) from 9FE to 8FE in 2024. Also the temporary 2FE reduction in places at Oaklands School during the period of planned building works.

- 3.48 The current and planned secondary school capacity has been thoroughly considered in view of the smaller numbers that will eventually come through from primary. They also take account of the opening of a new secondary school at London Dock from as early as 2023/24. This will be a non-selective, state funded, mixed school for 11–18 year olds. The additional places provided at London Dock will remove any risk to the council of a shortfall in the medium term as well as ensure there is a reasonable level of surplus. The council considers a 10% surplus sufficient to enable operational flexibility and parental choice. It is important to consider the interannual volatility in the popularity of Tower Hamlets secondary schools. This is an important factor that cannot be accurately projected for, given that it rests on parental/child preferences, changes in school Ofsted ratings, parental perception and other factors not linked to demography, migration and birth rates.
- 3.49 The council is reasonably assured that its planned capacity for Year 7 entry from 2023 onwards will provide sufficient secondary school places in the medium term. Especially, given the increasing number of new arrivals to the area who require secondary school places after the normal point of entry.

(b) Progress on Planned Secondary School Developments

London Dock

- 3.50 This development of this new 6FE secondary school site is progressing, but the completion date has been delayed until June 2024. The council has therefore made plans for the school to open on the former Shapla School site in September 2023, on a temporary basis, before moving to its permanent site in September 2024. The Department for Education (DfE) has appointed the Mulberry Schools Trust to run the new school and will provide 75 -80% of the capital funding. The Mulberry Schools Trust is a local academy sponsor that successfully runs a small number of schools in the Tower Hamlets area. It was formed following the academy conversion of Mulberry School for Girls in 2016. **The routes for the council to establish (commission) new schools in its area are set out in Appendix 3.**

Westferry Printworks

- 3.51 The DfE is planning to develop the Westferry Printworks site to provide permanent accommodation for Canary Wharf College 3 School. The DfE has not yet secured the site from the developer and it has therefore revised its target date for the delivery of the new school building, which is now scheduled for September 2026 at the earliest. Until the DfE can secure the site it is not yet certain when this new school building will be ready.

George Green's School

- 3.52 The council is considering plans for the rebuild of George Green's School, to provide replacement 21st century accommodation on its existing site, subject to further cabinet capital funding approval.

Oaklands School

- 3.53 The council has plans to provide additional accommodation for Oaklands School, following its earlier expansion from 4FE to 6FE. The council is working with the DfE and the landowners to permanently acquire the former Raine's Foundation Lower School site (old Bethnal Green Road), so that it can begin the further stages for the site's redevelopment. Oaklands is a council maintained school that currently uses the former Raine's (Lower School) 6th Form accommodation.

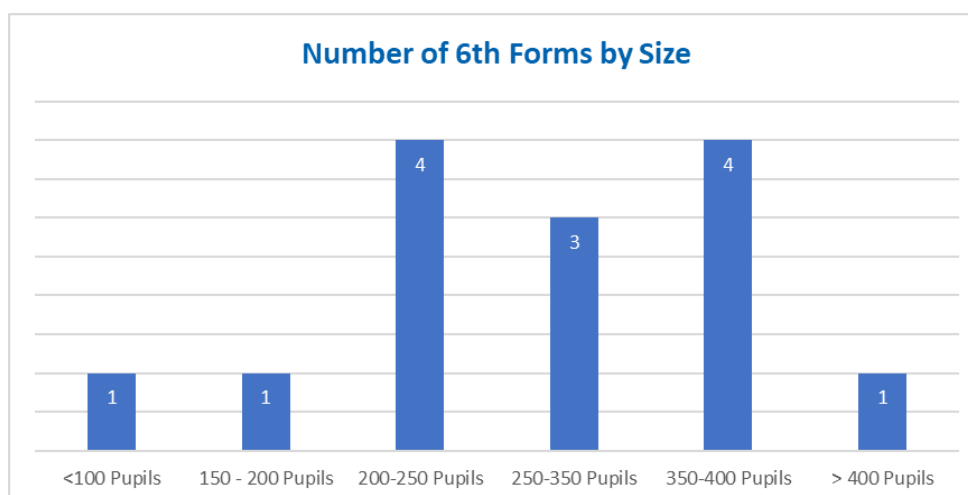
Post 16 Places

- 3.54 Post 16 place planning is not a statutory duty for the council. However, when looking at secondary provision, changes to the availability or quality of Post 16 places is a matter for consideration.
- 3.55 The current projections for Post 16 provision at schools in the borough indicate that numbers will continue to grow, beyond 4,000 pupils, which is an upward shift compared to last year's projections when 6th form places were expected to be lower, over for the projection period. The previous potential oversupply of places has now turned into expectations of schools operating at capacity, with additional 6th form places possibly being required in the medium term.

Table 13 Post 16 Projections

Post 16 Pupil Projections: Borough Secondary Schools									
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	
Actual (Jan census)	3,942								
Projection		3,912	4,065	4,126	4,084	4,114	4,144	4,192	
Capacity	4,095	4,095	4,095	4,095	4,095	4,095	4,095	4,095	
Variance	Pupils	153	183	30	-31	11	-19	-49	-97
	FE	5.1	6.1	1.0	-1.0	0.4	-0.6	-1.6	-3.2
	%	4%	5%	1%	-1%	0%	-0.5%	-1%	-2%

- 3.56 A number of Tower Hamlets Schools have indicated plans to expand their 6th form provision in response to their increasing cohorts through Y7 – Y11. The LA expects that plans for the addition of sixth form provision will only be put forward for secondary schools that are rated as 'good' or 'outstanding' by Ofsted. Schools should also consider the supply of other local post-16 provision in the area, to first assess if there is a genuine need for the additional provision.
- 3.57 Despite the increase in Post 16 pupil numbers at secondary schools, there is some significance variance in 6th Form size. The chart below shows the number of sixth forms by size. The average sixth form size in 12 of the 14 schools is above 200 students. The remaining two have fewer than 200, with one with less than 100 students.



- 3.58 It is recommended⁶ for schools to have 6th Forms of at least 200 pupils and, either directly or through partnership, offer a minimum of 15 A level subjects. Although, small school sixth forms can still provide access to a broad range of courses to meet students interests.
- 3.59 Many Local Authorities have one or more well- established and successful sixth form partnerships. A joint report from OFSTED and the Further Education Inspectorate outlined the considerable benefits of Post 16 collaboration; these include - a broader curriculum offer, since there are more students to access less popular courses; appropriate courses for all learners leading to higher participation rates, including a stronger affordable offer at L1 and 2, greater flexibility in progression routes, financial benefits linked to efficient group sizes through pooling small numbers of students (particularly in enabling smaller Year 2 cohorts to continue studies) and best use of staff expertise and facilities.
- 3.60 Nearby examples include:
- Westminster 6th Form Partnership, established in 2001 to improve co-ordination and provision for high quality education and training. The partnership includes secondary schools and FE colleges.
 - Camden 'LaSWAP' 6th Form Partnership, a group of four schools working together to create a single campus sixth form over four sites and providing learners with an extensive curriculum choice.
- 3.61 The council will shortly begin work with schools to explore Post-16 models of school organisation that will optimise expertise and ensure resilience of courses and inclusive provision. This work will explore opportunities and support proposals for school partnerships that will strengthen options across Levels 1-3 and vocational as well as academic options for students. The council will therefore consider what additional resources can be made available to support the development of this collaborative work.

Nursery Places

- 3.62 The table below shows a steady decline in the number of children requiring nursery places at Tower Hamlets maintained nursery schools/classes over the last four years. This is in line with the fall in birth rates and the other factor affecting the pupil population growth in the borough.

Table 14 Admissions to Nursery Schools and Classes (Sept Entry)

	2019	2020	2021	2022
No of children offered places at nursery schools/classes (Sept Entry)	2607	2306	2303	2238

- 3.63 In view of the challenges that these figures present to the sustainability and continued high quality of the council's maintained nursery schools there have been a number of school organisation changes implemented over the past year. Harry Roberts Nursery has amalgamated with Ben Jonson Primary and Old Church Nursery has amalgamated with Marion Richardson Primary to form two all-through 3 – 11 primary schools. The remaining four nursery schools have established new models of schools organisation. Rachel Keeling and Children's House Nursery Schools have 'hard' federated where they now share one head teacher and have

⁶ DfE Guidance on making significant changes ('prescribed alterations') to maintained schools

one governing body. Alice Model Nursery and Columbia Market Nursery are in a 'soft' federation where they share a head teacher.

- 3.64 These changes will give the four remaining nursery schools greater financial stability and ensure that they can continue to operate and provide children and families with access to extended services and facilities.

School Organisation and Capital Investment Strategy

- 3.65 Managing the demand for school places in the context of these constant fluctuations in the pupil population presents significant challenges for the council and its schools. Measures to address the oversupply of primary school places in parts of the borough through the earlier 'Primary Review' resulted in several school organisation changes, including reductions to the place capacity at a number of primary schools, school amalgamations (mergers) and, in a few cases, permanent school closures. However, the council will continue to take action to remove surplus places for the following benefits:

- Enabling schools to remain financially viable;
- Reducing waste (keeping spend per pupil up);
- Increasing the proportion of pupils in good or outstanding provision;
- Better targeting of capital resources;
- Improving the overall condition of the schools' estate.

- 3.66 This work will now be undertaken as part of the council's newly developed School Organisation and Capital Investment Strategy. The strategy sets out the key principles and direction that the council is taking to meet its statutory duty to provide suitable, sufficient and sustainable school places.

- 3.67 To oversee the delivery of the strategy the council is in the process of establishing a new School Organisation Strategy Group (SOSG). This group will consist of representatives from all of the key stakeholders, including council maintained schools, academy trust leaders and the relevant diocesan bodies. It will monitor activities across early years, 4 - 16, Post 16 and SEND and discuss the overall strategic development in the context of the council's statutory duties, as well as advise on options for school organisation, place planning and education capital investment.

- 3.68 The work of the SOSG will be informed and supported by two regional working groups, in recognition that the current pupil place planning activities are now quite different between the planning areas east and west of the borough. The Working Groups will include council officers and headteacher representatives from across the two regions and will be tasked, primarily, with the following:

- providing an understanding of local context and impact on demand for school places across the planning areas in each region;
- reviewing and monitoring the demand for school places from local authority data, local intelligence and good practice; and the strategic approach set out in the SOCIS;
- working collaboratively with admission authorities across each region to manage the supply and suitability of school places for the benefit of all schools;
- identifying schools suitable for a temporary reduction in PAN (published admission number), reviewing and recommending other relevant

strategies in support of financial and organisational efficiencies such as federations / amalgamation;

- identifying the school sites in the Local Plan suitable for development and or identifying existing schools suitable for expansion in areas where there is rising pupil demand;
- identifying the school sites suitable for the delivery of resource/alternative provisions in accordance with priorities in the SEND Sufficiency Plan;
- examining proposals put forward by the council in view of the local context;
- challenging decisions made by admission authorities in favour or against a reduction in pupil numbers.

3.69 The School Organisation and Capital Investment Strategy will be reviewed annually and updated periodically to respond in an agile manner to pupil population change; strategic developments within the council and to national policy changes that impact on school organisation and sufficiency planning.

Special Educational Needs Provision

3.70 The number of Tower Hamlets children and young people with an Education and Health Care Plan (EHCP) remains on an overall upward trajectory. There are currently 3464 resident children and young people with EHCPs in 2022, compared with 2842 in 2019.

Table 15 Number of Children in LBTH with Education, Health and Care Plans

EHCPs in LBTH by Age Category	2019	2020	2021	2022
Under 5	212	165	76	54
Age 5 to 10	1075	1136	1140	1179
Age 11 to 15	890	956	1049	1121
Age 16 to 19	540	589	681	698
Age 20 to 25	125	170	311	412
Total Number	2842	3016	3257	3464

3.71 The numbers of children and young people with Autistic Spectrum Disorder (ASD) have shown the biggest increase and will continue to do so over the coming years, in line with the London and national trend. Children and young people with Social Emotional and Mental Health (SEMH) needs have also accelerated beyond past projections, exacerbated by the impacts of the Covid lockdown. We can also expect to see rises in Speech Language and Communication Needs (SLCN) alongside the increases in ASD and SEMH.

3.72 A summary statement on the breakdown of need, projected demand, sufficiency pressures, and priorities for additional specialist provision is provided at Appendix 4.

4. SCHOOL SITES PROVIDED THROUGH THE LOCAL PLAN

Site Deliverability

4.1 The Local Plan allocates a number of school sites to meet projected need as well as improve the existing schools' estate. Some of these sites are mentioned in Section 3. This provides the council with the necessary options and flexibility required to manage the risks relating to site deliverability as well as ensure it can

meet its legal duty as an education provider in the medium to long term. The rationale for this is explained in Appendix 5.

School Development Funding Streams

- 4.2 A summary of funding streams available for the development of new schools and improving the council's existing schools' estate is set out in Appendix 7.

5 EQUALITIES IMPLICATIONS

- 5.1 Providing access to good quality school places is essential to raising achievement and addressing poverty and inequality in the long term. The council undertakes its role in the planning of school places with the aim of ensuring efficient, effective, and sustainable provision. The reorganisation of school places and the development of new schools in areas of need will have a positive impact on all groups by improving accessibility, increasing parental choice and promoting inclusive education.
- 5.2 When the council undertakes its plans to consult on changes to existing schools or when it seeks to establish new schools and works with the DfE to appoint new school providers, it will ensure that the offer is universally applicable to children and young people of school age and there is no unequal impact on different groups. This is particularly relevant to children and young people with SEND, ensuring that, as far as possible, they can be educated in mainstream settings with adapted, relevant, and bespoke support that ensures they can learn.

6 OTHER STATUTORY IMPLICATIONS

(i) Best Value Implications

- 6.1 The report sets out plans for managing the supply of school places and meeting future need. These plans seek to make the best use of existing and future council assets as well as opportunities to secure maximum funding from central government.
- 6.2 Any proposals for expanded or new provision will be subject to consultation as they are developed and before implementation. Implementation of capital schemes will be subject to competitive procurement.

(ii) Environmental (including air quality)

- 6.3 The proposals to provide additional school places to meet the needs of the population will be implemented taking account of sustainable design standards and materials. The planned organisational changes to school provision is intended to ensure that children can access a local school place and so minimise travel.

(iii) Risk Management

- 6.4 The council has a statutory duty to provide sufficient and sustainable school places. In order to plan to meet this requirement pupil population projections are obtained annually and reviewed each year against the known school capacity. It is clear that the projections indicate that significant changes in the need for places must be planned for. There will likely be regular variations in the projections, given the current volatility of the population across London. It is therefore essential for the council to retain some operational flexibility to respond, according to its sufficiency and or sustainability requirements.

- 6.5 The plans required to meet the need for school places can often require the balance of complex and competing considerations, for example for other social infrastructure requirements. Because of the length of time that is required to implement capital projects, decisions need to be taken in sufficient time to plan the use of resources and to identify potential shortfalls.
- 6.6 The council has to manage the risk of failing to meet its statutory duties by having a number of options available for implementation and also by keeping the changing circumstances under regular review.
- 6.7 (iv) Safeguarding
- The report deals with the council's approach to providing school places for the local population. The supply of good quality school places contributes to the safeguarding of children by ensuring their early and continued access to appropriate education.
- (v) Data Protection / Privacy Impact Assessment
- 6.8 When implementing the plans presented in this document, the council will undertake a full public consultation on the proposed school organisation changes. All comments received through these mechanisms or made directly to council officers or members will be collected to be included in the analysis of feedback received. Responses to the consultations will only be used to assess the community's view of the proposals and not for any other purpose.
- 6.9 Tower Hamlets Council will handle information in accordance with the Freedom of Information Act 2000 and the Data Protection Act 2018 and is the data controller for the purposes of the Data Protection Act 2018. For more information the privacy notice for Pupil Services can be accessed here.

7 COMMENTS OF THE CHIEF FINANCE OFFICER

- 7.1 There are no direct financial implications in this report. However, it should be noted that the revenue costs of meeting School places are met through the Dedicated Schools grant (DSG) which are based on pupil count. The Capital costs of delivering extra capacity are met through different sources, which are detailed in Appendix six. There would be no expectation of the costs of Schools places being met from General Fund resources.

8 COMMENTS OF LEGAL SERVICES

- 8.1 A local authority has a general duty under section 13 of the Education Act 1996 to ensure that sufficient primary and secondary education is available to meet the needs of the population of their area. In addition, the Education and Skills Act 2008 requires local authorities to exercise their functions so as to promote the participation of young people aged 16-18 in education and training.
- 8.2 A local authority has a number of duties relating to pre-school provision. Section 6 of the Childcare Act 2006 requires a local authority to secure (whether or not by that authority) that there is sufficient childcare for the working parents in their area. Section 7 of the Childcare Act 2006 requires a local authority to secure (whether or not providing it themselves) that there is sufficient free childcare for certain children as set out in regulations. There is also a requirement under sections 1 and 2 of the Childcare Act 2016 for local authorities to provide free childcare for certain children.

- 8.3 In order to amalgamate two maintained schools, one must close and the other must expand. Parts 2 and 3, and Schedules 2 and 3 of the Education and Inspections Act 2006 set out the procedure for closing and expanding schools. The School Organisation (Establishment and Discontinuance of Schools) Regulations and the statutory guidance Opening and Closing Maintained Schools (2019) give further details for the closure of a school. The School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2013 and the statutory guidance Making Significant Changes ('Prescribed Alterations') to Maintained Schools (2018) set out further details of the process for the expansion of a school.
- 8.4 Part 2 of the Education and Inspections Act 2006 requires a local authority to seek proposals for a new Academy if they believe that a new school is required in their area.
- 8.5 The proposals in this report comply with the above legislation and guidance.

Appendices

• Appendix 1	Map of Primary School Planning (catchment) Areas
• Appendix 2	GLA School Roll Projections Model
• Appendix 3	Commissioning of New School Places
• Appendix 4	LBTH SEND Sufficiency Statement
• Appendix 5	The Local Plan approach to allocating school sites
• Appendix 6	Funding Streams Available for the Development of School Sites

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

- List any background documents not already in the public domain including officer contact information.
- These must be sent to Democratic Services with the report
- State NONE if none.

Officer contact details for documents:

Or state N/A

Linked Reports, Appendices and Background Documents

Linked Report

- List any linked reports
- State NONE if none.

Appendices

- List any appendices [if Exempt, Forward Plan entry MUST warn of that]
- State NONE if none.

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

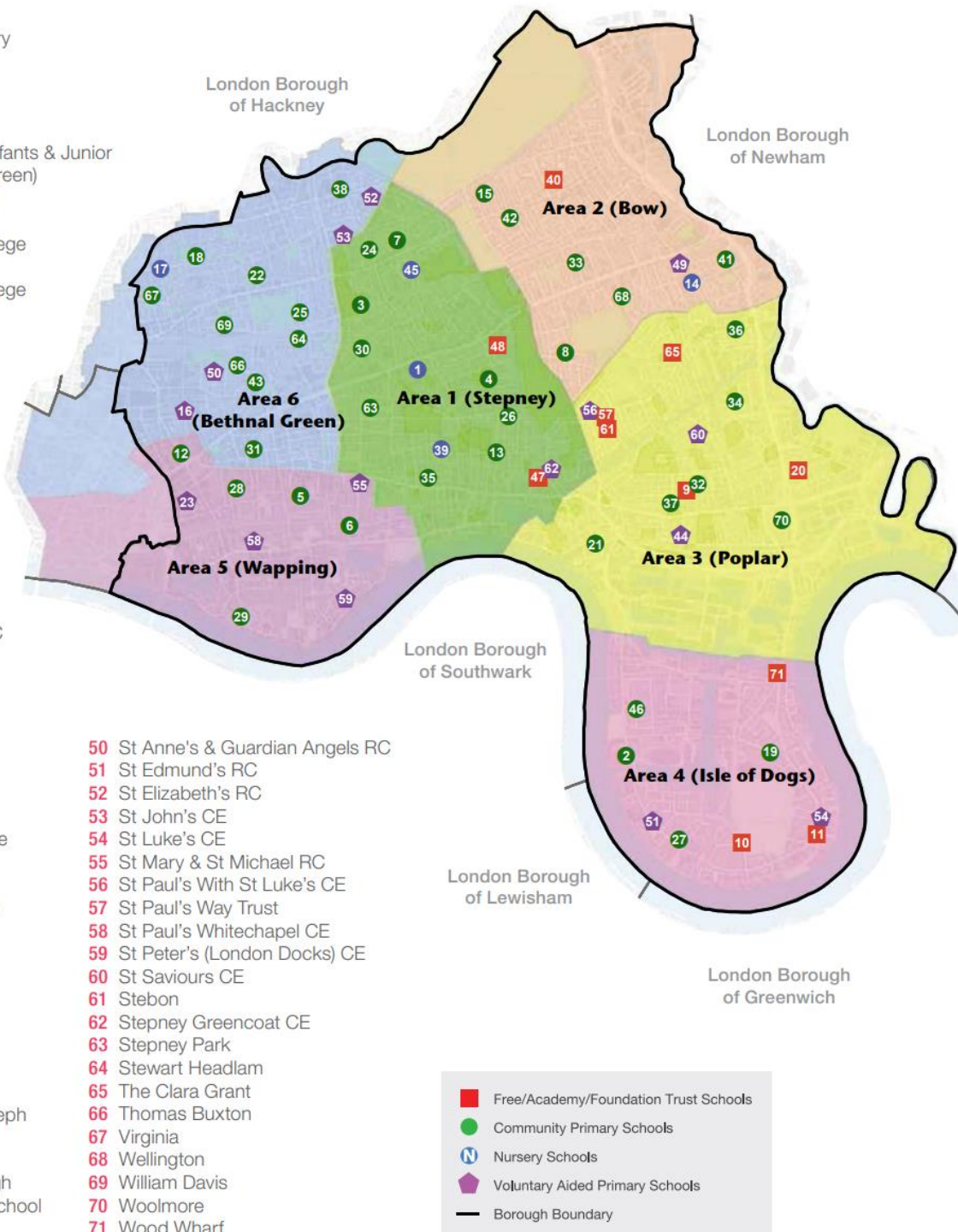
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- State NONE if none.

Officer contact details for documents: N/A

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Appendix 1 - LBTH Primary School Place Planning (Catchment) Areas 2022

- 1 Alice Model Nursery
- 2 Arnhem Wharf
- 3 Bangabandhu
- 4 Ben Jonson
- 5 Bigland Green
- 6 Blue Gate Fields Infants & Junior
- 7 Bonner (Bethnal Green)
- 8 Bonner (Mile End)
- 9 Bygrove
- 10 Canary Wharf College East Ferry
- 11 Canary Wharf College Glenworth
- 12 Canon Barnett
- 13 Cayley
- 14 Children's House
- 15 Chisenhale
- 16 Christ Church CE
- 17 Columbia Market Nursery
- 18 Columbia
- 19 Cubitt Town
- 20 Culloden
- 21 Cyril Jackson
- 22 Elizabeth Selby & Lawdale Junior
- 23 English Martyrs RC
- 24 Globe
- 25 Hague
- 26 Halley
- 27 Harbinger
- 28 Harry Gosling
- 29 Hermitage
- 30 John Scurr
- 31 Kobi Nazrul
- 32 Lansbury Lawrence
- 33 Malmesbury
- 34 Manorfield
- 35 Marion Richardson
- 36 Marner
- 37 Mayflower
- 38 Mowlem
- 39 Old Church
- 40 Old Ford
- 41 Old Palace
- 42 Olga
- 43 Osmani
- 44 Our Lady & St Joseph
- 45 Rachel Keeling
- 46 Seven Mills
- 47 Sir William Burrough
- 48 Solebay Primary School
- 49 St Agnes RC



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Appendix 2 - GLA School Roll Projections Model

Tower Hamlets Council commissions school roll projections from the Greater London Authority (GLA). Projections are run each year in May by the GLA, using information based on the most recent demographic trends (e.g. births, migration); the borough’s housing development trajectory; school census data; and the flow of pupils from their ward of residence (including those out of borough) to each school. Based on the GLA’s population projections, the school roll projection model then produces a roll projection for each school, per ward.

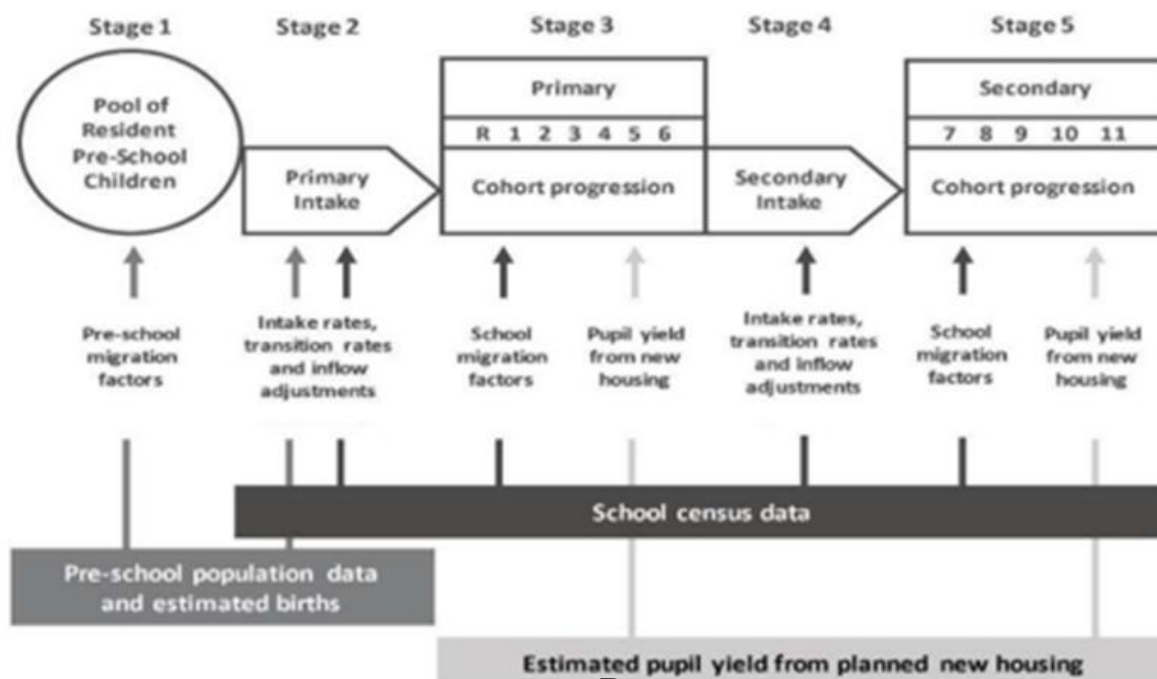
The proportion of the children attending each mainstream state school is calculated, using the National Curriculum year (R to year 11), and sex, per every ward of residence in London. These proportions are carried forward as the pupils age through the school in the years being projected. For new pupils entering a school in future years, for example at reception, proportions are calculated as averages over the latest years of actuals, with 4 being the standard number of years used (2019, 2020, 2021 and 2022). The same approach is used at years 7 and 12, even if the school is an all through school as it is assumed that there will be significant changes in the cohort at this point.

For the current round (2022), the school level rolls submitted by London Boroughs to the GLA have no information on wards of residence of the pupils. The number of pupils from the roll attributed to each ward are estimated by averaging over the previous years’ patterns, with the default being the last 3 years, and scaling to ensure that the total numbers at each school for each age and sex match the submitted rolls. This change to methodology adds an additional risk to Tower Hamlets’ pupil projections going forward, given the currently observed variances at Planning Area level.

The rolled forward and calculated new intake proportions for future years are applied to the population projections to give projections of the number of children on roll by school by age and sex. Due to lower retention rates, sixth form projections are calculated using a survival ratio as the cohort ages through sixth form. School level projections are then aggregated to planning areas and borough totals.

The can choose from six sets of pupil projections based on high, medium and low migration; and on a one-year or four-year historical reference. The council uses the high migration set; as this produces a more modest pupil growth projection, in line with current local and national trends.

Figure 1 The flow of the Tower Hamlets projections model



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Appendix 3 - Commissioning of New School Places

There are, essentially, two routes for the council to establish new schools in its area as follows:

1) Free School Presumption Process

Changes to the law in recent years have emphasised the role of the council as the commissioner of school places rather than the provider. The option for the council to open a new community school will be the last alternative after the following have been exhausted. Where the council identifies the need for a new school, it must seek proposals to establish the school and appoint the provider via the 'free school presumption' process (NB. free schools and academies are legally the same type of school).

Under the 'free school presumption' process the council is responsible for providing the site for the new school. It is the expectation that the site will be made available to the appointed provider free or on a peppercorn basis. The council will also be responsible for meeting the capital build costs and the pre/post-opening revenue costs.

The council seeks proposals (expressions of interest) from approved free school or academy providers, following a procedure set out by the DfE. As part of this process the council will first set its specification for the new school through consultation with the community. This specification is a key document to enable the proposer to understand the council's requirements for the new school. The specification will set some key matters in addition to the basic details, such as phase of education, size of the school and planned opening date. It will include the need for a strong education vision, engagement with the local community, providing inclusive education and support for all children and operating as the local school for the community. The Tower Hamlets specification will also include a commitment to work with the Tower Hamlets Education Partnership, which has been set up by schools to meet the challenge of ensuring that all children and young people in Tower Hamlets achieve the best possible outcomes through effective partnership working. One of its core values is to promote a system of equality and inclusion, supporting the needs of the most vulnerable children and families. It is important that any new school proposer is supportive of the aims and ethos of the Tower Hamlets Education Partnership.

The council will then evaluate the bids from the providers in consultation with the Regional Director (DfE) and submit its recommendation to the Secretary of State. The decision on the appointment of a provider is taken by the Secretary of State, delegated to the Regional Director, who will then enter into a funding agreement with the appointed provider. Only those academies or free schools they have obtained approved provider status from the DfE are able to bid to operate new schools.

When deciding on the appointment of the school provider the Secretary of State will consider the council's recommendation on the choice of a proposer. However, in some cases the Secretary of State may consider additional information held by the DfE about:

- the capacity, capability or the academic track record of a proposer;
- the quality and the diversity of the existing local provision; and
- the ability of the proposed sponsor to redress social disadvantage, as well as to improve educational standards in an area.

The Secretary of State reserves the right to agree a sponsor of his own on the basis that he may have further evidence about an academy sponsor that means none of the options put forward by the council are considered suitable.

If the council decides, prior to proposals being submitted, that circumstances have changed such that it is no longer satisfied that there is any need for a new school (for example, where a housing project has been cancelled or where a proposed central route free school will meet the identified need), then the council can halt the presumption process and withdraw the specification on these grounds.

2) Free School Applications Approved by Central Government

Separate from the free school presumption process is the establishment of a new school through the central government's free schools programme. This is where an academy sponsor applies directly to central government to set up a new free school and the application is approved by the Secretary of State. The government (DfE) will then provide the capital for the land and the construction of the school and will seek to supplement this funding with other contributions. This includes the provision of a site from the council or contributions from local housing developers.

Where the council has identified a need for a new school and is considering ways to provide it, it must work with both the Regional Director and any academy sponsor that has already been approved to open a new school in Tower Hamlets through the central government route. This ensures that there is a common understanding and co-ordinated approach to the action being taken to meet basic need and improve the quality of school places in the borough.

The council will determine the appropriate route for appointing a school provider in consultation with the Regional Director (DfE). It will keep stakeholders and council members informed of its progress through various channels, including the council website, committee reports, and the Members Bulletin.

Appendix 4: Special Educational Needs Provision

1. Background

- 1.1. Key to the council's ability to meet the needs of all children and young people with SEND, in line with the Tower Hamlets SEND Strategy (2020-2024), is ensuring that we provide and plan for future provision that will meet our local needs.
- 1.2. Demand and resourcing pressures mean that the existing approach to specialist Special Educational Needs (SEN) educational placements is not financially sustainable in the long term. The key challenge for the Local Authority (LA) and stakeholders will be maintaining the positive outcomes for pupils whilst reviewing the funding levels in order to meet demand within the available budget. The LA strategy comprises of six key areas:
 - i. Build upon the already successful model of inclusion by expanding and developing the capacity of mainstream schools to meet the needs of more complex learners;
 - ii. Create the necessary capacity in the system at already high quality, well-established and 'outstanding' specialist provision. Ensuring the LA is able meet current and future demand and enabling SEND children to attend the most suitable local school.
 - iii. Reduce the reliance on out of borough special school places and schools in the independent sector, through an increase in local resource provision in mainstream, particularly for children with ASD and SEMH;
 - iv. Redesign the specialist system for children and young people with SEMH to ensure integration pathways for those learners who are able to be supported back into mainstream settings and ensure high quality learning and support for those whose needs require ongoing specialist support;
 - v. Extend the offer and range of Post 16 provision, to enable more young people with SEND to achieve Preparation for Adulthood outcomes: employment; independent living; health and community participation;
 - vi. Promote independence by providing independent travel training and personal travel budgets for eligible children and young people and their families.
- 1.3. Additional to these key principles is the need to reflect and understand the impact of the pandemic and other world events on levels of need and capacity within the system to support those children whose learning and development may be delayed in the shorter term but who may not have longer term special educational needs.
- 1.4. This work includes the need to understand and agree ordinarily available provision, a key understanding of high needs funding streams and the resource available at SEN Support as well as ensuring provision for those with the most complex needs.

2. Current Numbers of SEN and Projected Growth

- 2.1 There are currently 3464 Tower Hamlets resident children and young people with EHCPs in 2022, compared with 3016 in 2020.

Table 1- EHCPs in LBTH 2020-2022

EHCPs in LBTH by Age Category	2020	2021	2022
Under 5	165	76	54
Age 5 to 10	1136	1140	1179
Age 11 to 15	956	1049	1121
Age 16 to 19	589	681	698
Age 20 to 25	170	311	412
Total Number	3016	3257	3464

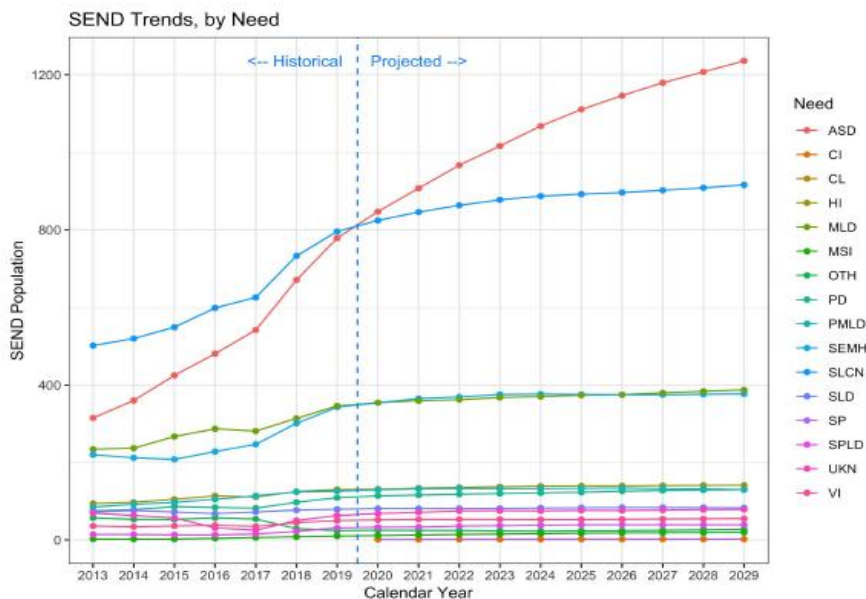
2.2 The last three year totals are broken down into the categories of primary need as follows:

Table 2 – EHCPs by Primary Need 2020-22

Categories of EHCP (Primary Need)	2020	2021	2022
Autistic Spectrum Disorder	846	937	1009
Hearing Impairment	133	137	154
Moderate Learning Difficulty	358	380	396
Multi- Sensory Impairment	14	18	22
Physical Disability	107	110	117
Profound & Multiple Learning Difficulty	133	140	138
Social, Emotional and Mental Health	347	360	383
Speech, Language and Communications needs	856	929	1021
Severe Learning Difficulty	78	76	89
Specific Learning Difficulty	33	38	45
Visual Impairment	51	54	59
Other Difficulty/Disability	60	78	31
Total number of EHCPs by primary need	3016	3257	3464

2.3 The Tower Hamlets 0-25 population is forecasted to grow by 3.75% bringing the total to 103,900 by 2026. It is therefore reasonable to assume that the number of SEND learners requiring specialist provision will also rise proportionately. The future place planning for children and young people with SEND takes account of this predicted population growth as well as seeking to address current gaps.

Fig 1 – Growth Trajectory of LBTH SEND population by need



2.4 The above diagram shows the anticipated growth in the categories of need with a rise in pupils with Autistic Spectrum Disorder (ASD) being most prevalent over the coming years, in line with the national trend. These projections commissioned in 2019 show that trends and growth are accurate when compared to the actual figures for the period 2019-2022. However, since the lockdown the rate of increase in ASD diagnosis and children and young people with Social Emotional and Mental Health (SEMh) needs has accelerated beyond the 2019 projections. We therefore expect to see a continued rise in pupils with Communication and Interaction needs such as ASD and Speech Language and Communication Needs (SLCN) and further increases in SEMh needs. The table below shows the actual growth (2020-2022) and the revised projections for 2023-2025.

Table 3 – Actual and revised projections by Primary Need 2020-2025

	2020	2021	2022	2023	2024	2025
Autistic Spectrum Disorder	846	937	1009	1274	1414	1585
Hearing Impairment	133	137	154	154	154	155
Moderate Learning Difficulty	358	380	396	418	438	438
Multi- Sensory Impairment	14	18	22	25	25	27
Physical Disability	107	110	117	121	130	134
Profound & Multiple Learning Difficulty	133	140	138	143	145	154
Social, Emotional and Mental Health	347	360	383	501	511	540
Speech, Language and Communications needs	856	929	1021	1197	1263	1335
Severe Learning Difficulty	78	76	89	89	91	93
Specific Learning Difficulty	33	38	45	45	46	49
Visual Impairment	51	54	59	59	59	62
Other Difficulty/Disability	60	78	31	32	32	33
Total	3016	3257	3464	4058	4308	4605

3. Pupils with SEN in Tower Hamlets Schools and their Settings

3.1 The current number of children and young people with EHCPs in Tower Hamlets Schools is 2647. This is an increase of 116 from the previous year (2021).

Table 4 – Breakdown of SEN within the School Population (SEN2 Data 2022)

Area	Total Pupils – school population only	Pupils with EHCPs	%	Pupils with SEN support	%	Total pupils with SEN	%
England	9,000,031	355,566	4.0	1,129,843	12.6	1,485,409	16.6
London	1,457,938	60,250	4.1	170,735	11.7	230,985	15.8
Tower Hamlets	49,026	2,647	5.4	5,697	11.6	8,344	17.0

3.2 The percentage of pupils with EHCPs in Tower Hamlets schools is significantly above the London and National average, and the percentage of pupils with SEN is also above the London and national average.

Table 5 - Numbers and Percentages of school age Pupils with EHCPs within each setting type in borough (SEN2 Data, 2022):

	Tower Hamlets		London		England	
	No.	%	No.	%	No.	%
Independent School	82	3.4	4287	2.9	25022	4.3
Non-Maintained Special School	N/A	N/A	252	100	3,890	98.1
Pupil Referral Unit(s)	17	14.4	405	20.1	3295	28.2
State Funded Nursery	18	3.8	147	1.8	535	1.4
State Funded Primary	952	3.7	20,979	3.0	105,756	2.3
State Funded Secondary	824	4.2	14,396	2.5	76,838	2.2
State Funded Special	755	99.8	19784	97.2	140,230	98.7
Total	2,647	5.4	60,250	4.1	355,566	4.0

- 3.3 The table below shows that 75.4% of children and young people with SEN are educated within state funded mainstream schools, special schools, or mainstream schools with resource provisions. The majority of this provision is Tower Hamlets provision – with very small numbers of children from Tower Hamlets accessing state funded education in other local authorities.
- 3.4 The highest growing provision type, in line with the numbers of EHCPs is within the post-16 provisions – these being a mix of FE Colleges, specialist provision such as Phoenix College for young people with ASD and other local providers.

Table 6 - Numbers and Percentages of TH CYP EHCPs in State Funded Provision

		Tower Hamlets				
		2019	2020	2021	2022	Trend
Special schools	Number of state-funded special schools	6	6	6	5	
	Number of pupils enrolled in state-funded special schools	621	686	724	755	
	Pupils living in LA attending state special schools in other LAs	9.8%	8.0%	8.8%	-	
	Pupils living in other LAs attending state special schools in LA	9.9%	10.1%	8.8%	-	
Provision for EHCP pupils	State-funded special school	19.9%	21.5%	21.0%	20.7%	
	State-funded mainstream (not resourced/unit)	53.9%	52.8%	51.9%	51.2%	
	State-funded mainstream (resourced/unit)	3.7%	3.6%	3.4%	3.5%	
	Post-16 institution	9.1%	13.9%	14.8%	15.8%	
	Other provision	6.9%	3.2%	3.1%	2.4%	
	Independent/non-maintained	3.5%	3.5%	3.6%	3.5%	
Resident population	Undertaking an apprenticeship - number	1	34	1	6	
	Undertaking an apprenticeship - % of 16-25 with EHCPs	0.2%	4.5%	0.1%	0.5%	
	Undertaking a traineeship - number	1	1	10	2	
	Undertaking a traineeship - % of 16-25 with EHCPs	0.2%	0.1%	1.0%	0.2%	
	Undertaking a supported internship - number	30	40	31	81	
	Undertaking a supported internship - % of 16-25 with EHCPs	4.5%	5.3%	3.1%	7.3%	

4. Current SEN Provision in the Borough and Future Commissioning Plans

- 4.1 The current range of SEN provision in the borough is shown below.
- 4.2 The council has reviewed its current resource provisions to inform its future commissioning intentions for this type of provision, ensuring it is relevant to and meets the needs of children and young people in the borough. In doing so and recognising the increase in demand for SEND provision overall, we have identified gaps in specialist resource places for children with needs, in the particular SEN categories of ASD and SEMH.
- 4.3 The council will therefore invite proposals from amongst its existing schools and MATs to submit bids to establish new resource provisions to meet identified need in the borough. The process for expressions of interest in both primary and secondary schools will begin later in the 2022-23 academic year, with a view to adding to the existing resource provision from September 2025, and with mitigation being put in place to support successful schools to start meeting the needs of these children prior to then.

Alternative Provision Free School

- 4.4 In addition to establishing new resource provisions for the categories of SEN need identified above, the council will also be partnering with an existing school provider(s) to submit a bid to set up a new Alternative Provision Free School, under the DfE's central free school wave. Should a bid be successful it will secure all of capital and revenue funding necessary to establish this new provision for the borough.

Primary

School Name	Type	LA School or MAT	Funded Places	Primary Need
Cyril Jackson	Resource	MAT	20	SCLN
Globe	Resource	LA	30	SCLN
Total SCLN		50		
Culloden	Resource	MAT	30	Hearing Impaired
Hague	Resource	LA	16	Hearing Impaired
Total HI			46	
Bangabandhu	Resource	LA	15	Complex Needs
Total CN			15	
Phoenix Satellite at Marnier School	Satellite	LA	20	ASD
Hermitage	Resource	LA	8**	ASD
Total ASD			28	
Ben Jonson	Resource	LA	8**	SEMH
Bowden House at Ben Jonson	Resource	LA	8**	SEMH
Total SEMH			16	
Primary Total			155	

** Growing provisions - number of places available in the 2022-23 academic year.

Secondary

School Name	Type	LA School or MAT	Funded Places	Primary Need
George Green's	Resource	LA	15*	Complex Needs*
St Paul's Way Trust	Resource	MAT	24	Hearing Impaired
Phoenix Satellite at Bow School	Satellite	LA	30	ASD
Secondary Total			69	

* Place numbers and need designation for the resource base at George Green's School are currently under review. Pupils currently in place at the provision will remain there with the appropriate support to meet their needs, regardless of the outcome of the review process.

Special

School Name	Type	LA School or MAT	Funded Places	Primary Need
Stephen Hawking School	Primary	LA	105	PMLD
Beatrice Tate School	Secondary	LA	110	PMLD
Bowden House School	Secondary	LA	50	SEMH
Phoenix School	All through	LA	470*	ASD
Ian Mikardo School	Secondary	MAT	55	SEMH
Special Total			790*	

*Includes Satellite classes at Bow and Marnier

Post 16

School Name	Type	LA School or MAT	Funded Places	Primary Need
New City College	Post 16 College	N/A	620*	All SEND
Phoenix College	Independent Specialist College	Charitable Trust	30	ASD
London East Alternative Provision Post 16	Alternative Provider	LA	25	SEMH
Tower Project	Employment Training		50	ALL SEND

*Across all campuses

5. SEN Policy Landscape

5.1 In September 2014, a new Special Educational Needs and Disability Code came into effect. The code proposed some changes aimed at putting children, young people and their families at the centre of any discussions about the support they are offered. The main changes are set out below:

- **Children & young people to be at the heart of the system**
- **Education, health and care plans to replace SEN statements** – Under the new rules, SEN statements and learning difficulty assessments (LDAs) were replaced with education, health and care (EHC) plans for children and young people up to age 25.
- **School Action and School Action Plus no longer exists** - Instead there is a single school-based category of SEN Support, for children who need extra specialist support but do not require an EHC.
- **Optional personal budgets for young people** - Young people and parents of pupils with an EHC plan can request to hold a personal budget to buy in some types of support identified. The council has a personal budget policy on its 'local offer' website.
- **Teachers must make sure every pupil makes progress** – there is an increased emphasis on the identification and support for pupils and students with SEN being implemented and progress monitored by class and subject teachers.
- **Local Offer website – provides** information at local authority and school level on what services children and young people and their families can expect from a range of local agencies, including education, health and social care.
- **Focus on preparing for adulthood from an early age** – introduction of supported internships and apprenticeships for young people with SEND

5.2 In 2021 the SEND Green Paper was released, mainly with the aim of addressing the areas where the SEN reforms of 2014 have not had the impact expected. The Green Paper consultation covered the following areas:

- Standardisation of some parts of the EHC assessment process and the inclusion of Alternative Provision within SEND;
- A new increased focus on ensuring Excellent Provision from Early Years to adulthood;
- A Reformed and Integrated role for Alternative Provision Settings;
- Increasing accountability and funding reform;
- Delivering real change across the system.

Appendix E - The Local Plan's Approach to Allocating School Sites

The current Local Plan for Tower Hamlets allocated several sites for primary schools and secondary schools. This is informed by the evidence base which supported the Local Plan i.e. *Site Allocations Methodology* and *Spatial Assessment Needs for Schools*. The plan will allocate more school sites than required to meet the projected need for the following reasons:

1. School sites are generally located on land in private ownership, and are part of a larger scheme which also includes housing, commercial and open space. The delivery and timing of the school is linked to the delivery and timing of the overall scheme, and therefore not within the control of the council.
2. Ideally, new school sites will deliver a minimum of 2 forms of entry (FE) for a primary school and 6 forms of entry (FE) for a secondary school. However, site constraints may mean that only a smaller school can be delivered. While smaller schools may not financially be the best model to operate, these may be considered if additional school places are required. There would also be an option to deliver expanded school provision where a site is adjacent or in close proximity to an existing school.
3. There may not be sufficient demand in the area to support the development of a new school when a site comes forward. For example, if there was a need for one additional school in an area and two sites came forward at the same time, the council may only take forward one of these sites.
4. Issues, such as air quality, may make an allocated site challenging for the delivery of a school when it comes forward for delivery. There are several site allocations with known constraints, however it may be possible that these can be addressed through design and the school's location within the site allocation, but could incur higher costs.
5. Pupil projections are a useful tool in planning for future needs, but they can be volatile, particularly in the medium to long term (e.g. after 5 years). Projections rely heavily on information about historical trends (e.g. births, migration), which makes them less reliable in times of significant demographic change.
6. Tower Hamlets is relatively small in terms of land area. The borough will continue to experience fast paced changes in terms of its built development, with the highest housing target in the adopted London Plan and the second highest in the emerging London Plan. At the same time, the borough has a number of areas with limited development potential due to design and heritage factors. There will be limited opportunity secure to sites large enough to accommodate schools, particularly secondary schools, in future Local Plans.

This approach ensures that the council is able to effectively plan for school places and meet its statutory duty. The alternative approach would be to allocate the exact number of sites to meet the projected need at that point in time, but this would put the council at serious risk of not meeting its legal duty to provide sufficient schools if, for example, sites were not delivered or the projected need increased during the plan period.

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Appendix 6 - Summary of Funding Streams Available for the Development of School Sites

The principal source of capital funding for providing additional school places is the DfE Basic Need capital grant. The funding is allocated each year on a rolling basis, usually three years in advance. It is formula-based and does not reflect post-16 need or specific growth in numbers of pupils with high needs. For 2021/22 the funding allocated by the DfE is £2.4m. For 2022/23 the funding allocated by the DfE is £20k. The council will not receive any Basic Need funding in 2023-24; however, in 2024-25, the council is expected to receive a further £1.6m.

The council adopted its Community Infrastructure Levy (CIL) Charging Schedule from April 2015, increasing the rates in January 2020. This replaces s106 payments for the mitigation of the impact of new developments on school provision. CIL supports a range of infrastructure provision and is allocated alongside S106 through the Councils Capital Programme. The Council's Infrastructure Funding Statement sets out the Mayor's overall approach for investing CIL. 16% of CIL funding is allocated towards 'community, education and employment' which includes schools. £5m of CIL funding is expected to be available (£8m collected less £3m already allocated to projects). 25% of CIL funding (£12m) is also allocated toward the Local Infrastructure Fund (LIF) which must be spent in the neighbourhood area where it was collected and in consultation with local residents. A proportion of LIF funding could be put towards schools, depending on the location.

The Government has provided Tower Hamlets with additional capital funding for the creation of new school places and to improve existing facilities for children and young people with Special Educational Needs (SEN) and disabilities. In Tower Hamlets this funding amounts to £21.7m and was allocated over 6 years (2018-2024). This is made up of £6m Special Provision Capital Funding (SPCF) and £15.7m High Needs Provision Capital Allocation (HNPCA).

In addition to these funding streams that are specific to education, the council also has the option to use its reserves, capital receipts, and/or borrow to ensure that it can deliver on its strategic priorities and statutory duties. Following the closure of schools through earlier re-organisations the council is also in the position to add to its capital revenue through the disposal of sites that are considered surplus to requirements.

When the funding strategies for school projects are being developed, these funding sources are considered, and the funding allocated through the relevant governance and decision making arrangements. Funding has been allocated for the following school projects:

Project	Estimated cost
Arnhem Wharf	£3m. Condition & Improvement works to existing school. Project is subject to Department for Education (DfE) funding consideration as part of the central government's Priority Schools Building Programme.
Beatrice Tate Special School (48 to 60 expansion of existing school)	£4.05m. Works being developed for new accommodation to be available in Spring 2023.
Hermitage Primary	£3m. Works to provide ASD resource provision and additional accommodation.
St Saviour's Primary School expansion by 1FE. (Poplar catchment area)	£4.35m to provide an additional 30 places each year.
George Green's School (rebuild)	Costs to be confirmed following review of the delivery strategy/construction method and timetable. In the meantime the council will prompt the DfE to determine whether this scheme can be delivered and funded by central government under its Priority Schools Building Programme.
Mulberry London Dock (6FE secondary and sixth form) – full development of the school	£64.8m, with at least £47m coming from the DfE and £17.8m funded by S106 and CIL

Further planned developments that will require council capital funding:

London East Alternative Provision (new places for Key Stage 1 and 2)	£1.5m to be funded from DfE grant, subject to cabinet approval in the new year.
Oaklands School (expansion by 2FE providing 60 additional places per year)	Acquisition of the former Raine's School Lower site and adaptations to provide additional teaching and other accommodation.

<p>Cabinet</p> <p>14 December 2022</p>	 <p>TOWER HAMLETS</p>
<p>Report of: James Thomas Corporate Director of Children & Culture</p>	<p>Classification: Unrestricted</p>
<p>Secure Children’s Home for London and Pan-London Commissioning Vehicle</p>	

Lead Member	Councillor Maium Talukdar, Cabinet Member for Education, Youth and Lifelong Learning
Originating Officer(s)	Nji Oranu, Head of Service: Resources and Regulated Services Karen Sanderson: Senior Commissioning Manager Integrated Commissioning
Wards affected	All wards
Key Decision?	Yes
Reason for Key Decision	Impact on wards
Forward Plan Notice Published	3 November 2022
Strategic Plan Priority / Outcome	Priority 5: Invest in public services Deliver improvements in services for adults needing social care, children’s services, children with SEND and children in trouble with the law

Executive Summary

Children with particularly complex needs, including those who are at significant risk of causing harm to themselves or others, including risk to life, can be placed in a secure children's home when no other type of placement would keep them safe. The guidance for the use of secure children's homes is set out in s25 Children Act 1989.

There is a significant shortage of national secure children's home provision as highlighted by OfSTED and London has no provision. The numbers of children placed are small, but the placements expensive. Further, where places are not available, the alternatives, often requiring multiple ratios of staff for each child, are amongst the costliest placements for children's services. For example, the Association of Directors of Children's Services (ADCS) recently highlighted more than twenty local authorities paying over £20K per week (equivalent to £1 million per year) and one case of £49,680 per week (equivalent to over £2 million per year).

In Tower Hamlets between 2017 and date, a total of 15 children were placed in a secure children's home, at a total cost of £1,696.324.

There is an opportunity now to develop and establish a secure children's home provision in London to bring additional capacity to the market, with funds provided by the Department for Education, but this requires a Pan-London approach.

It is proposed that a company, owned by London local authorities, called the Pan London Vehicle should be established to oversee the development, and running of the new secure children's home provision. In the long term, it is intended to explore whether the Pan London Vehicle's remit could include other key pan-London commissioning arrangements that will improve the lives of London's children and young people.

A Pan London Vehicle (PLV), jointly owned by London local authorities, will initially oversee the build, and contribute to the development of the operating model for the new secure children's home provision, as well as the commissioning arrangements to run the service. The Pan London Vehicle will be a means to share the risks and benefits associated with developing and running the secure children's home, with a key benefit being that places at the new provision will be prioritised for the London local authorities who opt in to join the Pan London Vehicle.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Following agreement by ALDCS, for this item be added to the Cabinet forward plan for consideration by December 2022. Cabinet is asked to provide a decision as to the Borough becoming a member of the jointly owned Pan London Vehicle for Commissioning.
 - a. The Pan London Vehicle (“PLV”) will be a company limited by guarantee (“CLG”) and owned by the London local authorities. The PLV will not be focussed on profit generation, and it is intended that any surplus generated by the PLV will be reinvested into its activities.
 - b. Be part of the PLV, secure children’s home provision for a five-year period from 1st April 2023 to 31st March 2028, with a break-point after two years once the refreshed business case has been developed to include service pricing structure, commissioning approach, practice model and location, the 20k per year membership payable for five years, has now been removed for the development stage (first two years) of the PLV, which will be funded by the Department of Education grant.
 - c. Collaborate with other PLV members on future joint commissioning programmes.
 - d. Commits in principle to joint oversight and risk/benefit sharing, through the PLV, of the secure children’s home provision, for a five-year period to 31st March 2028, including the build, service development and service commissioning phases, subject to ratification after the revision of the secure children’s home business case, and renewable on a ten yearly cycle thereafter, with break-point after five years.
 - e. Delegates authority to James Thomas, in consultation with The Mayor to:
 - f. finalise the legal documents required to set up, join and run the PLV and
 - g. make the final determination on the Council’s membership of the PLV, following completion of the revised secure children’s home business case and, if appropriate, enter into all the legal agreements, contracts and other documents on behalf of the Council required to implement and run any aspect of the PLV arrangements.

2. To note the Equalities Impact Assessment as set out in Section 4.

1 REASONS FOR THE DECISIONS

- 1.1 The total expenditure on residential provision by children's social care by London Boroughs has increased by 28% from £1.6bn in 2015 to £2.1bn 2021, despite a decrease in the rate of looked after children of 10%. Overspends collectively exceed £100m. There is considerable variation between boroughs, ranging from an increase in expenditure of 2% to 133%.
- 1.2 Tower Hamlets total expenditure on residential provision (including secure accommodation) in 2021 was £3,790,978.52, in 2020 it was £3,347,150.00, and 2019 this figure was £5,062,554.00. A possible explanation for the decrease in expenditure could be as a direct result of the transformation work conducted post the 2019 Ofsted inspection and the pandemic, Covid19.
- 1.3 There is a clear need to create more secure children's home provision for London. Detailed analysis supports the creation of 24 secure welfare beds. These beds will allow London children to be placed within London, which will give young people better outcomes at a lower cost. The funding commitment from the Department for Education of £50+ million offers London an opportunity to invest significantly in improving outcomes for our most vulnerable children and young people.
- 1.4 Even with this additional funding, the financial, operational, and reputational risk required to take on this project is more than any single local authority could manage. The case for creating this provision relies on collaboration between London local authorities, and to this end, the establishment of the PLV will allow London local authorities to share both the risks and benefits of the project. The PLV is the required infrastructure for the project to succeed.
- 1.5 The PLV therefore provides Tower Hamlets a means of leveraging £50+ million of investment for our children and young people. London local authorities are being asked to seek approval from their Cabinets to join the PLV for a five-year period from 1st April 2023 to 31st March 2028, at a fixed annual cost of £20K (years 3 to 5), subject to inflation adjustment.

1 ALTERNATIVE OPTIONS

- 1.1 Do nothing, therein not become a member of the PLV and maintain the 'as is' position. That is the, continued commissioning of High-Cost Low Incidence placements for children and young people requiring a secure children's

home, which will mean children being placed outside of London and at a distance from their home authority and their familiar cultural context.

- 1.2 Children who cannot be placed in a secure children's home are **often placed in less suitable and sometimes higher cost alternatives** - often in excess of **£10k per week**.

2 DETAILS OF THE REPORT

Why does London need Secure Welfare Provision?

- 2.1 Across London, a relatively small number of children require a secure welfare placement, which is very high-cost provision and despite their complex needs, these children are often placed the furthest from their home local authorities, an average distance of 192 miles, which impacts detrimentally on children as it impacts on their contact with family and their community. Additionally, the loss of local contacts and pathways in education, training and employment has a negative impact on their development post-placement.
- 2.2 Further, the national shortage of provision, can mean that places are often not available when referrals are made so children are then placed in less suitable but higher cost alternatives. This shortfall in provision is particularly acute in London where there is not any Secure Provision – over three years London referred 295 children to Secure Provision but only 159 children received places. The majority of requests (72%) are for children from Black and Minority Ethnic groups, well in excess of the London comparable profile of 41%. The current arrangements are exacerbating poorer outcomes for this group and racial disparities.

3 EQUALITIES IMPLICATIONS

- 3.1 [London Innovation Improvement Alliance (LIIA) is conducting the Equalities Impact assessments as part of the overarching programme across the Pan London Placements Commissioning Programme (PLPCP).]

4 OTHER STATUTORY IMPLICATIONS

- 4.1 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.

4.2 No other statutory implications have been identified.

5 COMMENTS OF THE CHIEF FINANCE OFFICER

5.1 The membership costs of £20k to the council would not come into play until the third year of the contract when the proposed facility would become operational. The costs off membership would expect to be mitigated by reduced costs of placement as well as reductions in time and the cost of travel for social work support and family visitation. There would be no negative impact on the General fund and opportunity for longer term savings. All Capital costs are confirmed as being met by the Department for Education.

6 COMMENTS OF LEGAL SERVICES

6.1 The legal structure of the proposed Pan London Commissioning vehicle (a Company limited by Guarantee) is set out in detail in appendix 1.

6.2 The Council has the power to become a member of the company by virtue of Section 1 of the Localism Act 2011 and can utilise the provisions of Section 111 of the Local Government Act 1972 and the Childrens Act 1989 sections 25 and 27 where appropriate.

Linked Reports, Appendices and Background Documents

Linked Reports

- NONE

Appendices

- NONE

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

- [London Sufficiency \(greatdigitaldev.co.uk\)](http://greatdigitaldev.co.uk)
- [Resources & Commissioning - London Innovation and Improvement Alliance \(liia.london\)](http://liia.london)
- [Placements Services - Commissioning Alliance](#)
- [ISOS Under Pressure children's services finance Final report \(4\).pdf](#)

Officer contact details for documents:

N/A

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Agenda Item 6.6

Cabinet 14 December 2022	 TOWER HAMLETS
Report of: Denise Radley, Corporate Director Health Adults and Communities and Deputy Chief Executive	Classification: Unrestricted
Homecare for adults- contracts extension	

Lead Member	Cllr Gulam Kibria Choudhury Cabinet Member for Health, Wellbeing and Social Care
Originating Officer(s)	Ben Gladstone, Interim Head of Service- Ageing Well, Integrated Commissioning
Wards affected	All
Key Decision?	Yes
Reason for Key Decision	Financial threshold
Forward Plan Notice Published	9 November 2022
Strategic Plan Priority / Outcome	The provision of homecare services to residents living in Tower Hamlets supports the strategic plan priority 4: boost culture, business, jobs and leisure. Homecare workers are part of local businesses and work in the community. The contracts support local employment opportunities. The contracts also support Priority 5: Invest in public services by ensuring that all care workers employed by commissioned providers are paid at least the London Living Wage. Homecare services support vulnerable adults by providing high quality and financially sustainable services for adults receiving social care to achieve their goals, be connected to others and live as independently as possible.

Executive Summary

This report sets out the reasons for the request for an extension to the existing contractual arrangements for the provision of homecare services for adults and formally requests permission to extend these contracts to 31 December 2023.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Authorise the Corporate Director Health Adults and Communities and Deputy Chief Executive to agree with the existing providers to extend the current contracts to ensure continuity of services to protect vulnerable people until the 31 December 2023 in order to recommission, procure and mobilise the newly procured contracts aligned to the Administration priorities.

1 REASONS FOR THE DECISIONS

- 1.1 The current contracts for the provision of homecare services to adults are due to expire on 31 December 2022. A tender process that commenced in April 2022 was paused in August 2022 due to formal requests for a review of the previous administrations methodology for delivering homecare to service users in the borough by the Mayor. The review has determined that changes to the commissioning and contracting model are required in order for the Council to end up with contracts that deliver in a manner to meet the Council's new strategic priorities. The changes are a significant enough departure from the previous advertised methodology and specification to require the existing process to be abandoned and a new process to be commenced in line with the law. This also allows operators who were not interested in the opportunity to be treated fairly now that the Council's commercial requirements have changed.
- 1.2 To implement the required changes, further work will need to be undertaken to understand the implications of changes and to finalise a preferred model which can then be presented to the market via the tender process. This will need to incorporate some engagement and co-production with service users, care workers and homecare providers. Officers will need to recommence the commissioning and procurement process in early 2023.
- 1.3 The new procurement process is anticipated to take a total of twelve (12) months to complete. This will include a period of pretender market analysis and engagement (3 months), the preparation of revised tender documentation including a service specification, contract schedules and agreed price: quality weighting and scoring mechanism (3 months), a two-stage tender process (5 months) and contract award (1 month). In addition, a further period of transition and contract mobilisation will be necessary following contract award.
- 1.4 The Council is committed to protecting the most vulnerable people in the borough and in this case has a legal duty to do so. The extension of the existing contracts is necessary to ensure that there is seamless continuity of care services to those people who are reliant on them.

2 ALTERNATIVE OPTIONS

- 2.1 It would be technically and legally possible to spot-purchase any number of providers to deliver homecare in the Borough as an alternative to a framework contract. However, this would present an increased risk to the effective oversight of the quality and safety of homecare provision to vulnerable residents in need of care and support living across the Borough. In addition, each package of care would be subject to the Council's procurement procedures and therefore some form of quotation process with competition would be required each time. This could significantly delay the provision of care in many cases and would be clearly not desirable
- 2.2 During the period of the contract extension, Officers will continue to work beyond the five commissioned providers under the framework contract with a larger number of homecare providers that are commissioned under 'spot' arrangements to provide services to Tower Hamlets residents. Currently, the Council commissions work from a total of 42 'spot' providers, 11 of whom are registered in the Borough. These providers are used when the contracted (framework) providers are unable to accept the work. In addition to this, a larger number of homecare providers are directly commissioned by residents through personal budget arrangements.

3 DETAILS OF THE REPORT

- 3.1 Homecare supports the delivery of Tower Hamlets Adult Social Care Vision and Strategy to promote choice, control and wellbeing focusing on the outcomes that are important to people. It also supports the Tower Hamlets Together Outcomes Framework, so that people's experience of care is positive and joined up to achieve the best health and wellbeing outcomes. The service will enable Service Users who require Council-funded care to continue to live at home to receive ethical, high-quality care and support that promotes individual outcomes, independence, wellbeing, and dignity.
- 3.2 The overall aims for the service are to achieve:
- **Outcome focused**, high quality services that deliver the best possible outcomes for Service Users. The move to an outcomes-based way of working monitored by an outcomes framework coproduced with people who use services, enables a shift from time and task approaches to a focus on supporting individual outcomes.
 - **Preventative Support** that enables Service Users to remain as independent as possible or to rebuild their independence and resilience so they can continue living in their own homes in their own communities. This includes developing innovative approaches and use of technology and equipment that enhance people's independence. Through this the Contract also helps the Council to manage future demands for this Service and for other services.
 - **Partnership & Contract Management** – the Contract is based on sound Partnering principles (including getting the basics right) to ensure that it is effectively managed and delivered. The Contract is

underpinned by high quality systems and processes to ensure that there is clarity in the performance of the Contract and the Payment Mechanism.

- **Self-directed support** - the Contract enables self-directed support so Service Users can use their personal budgets to achieve outcomes that are important to them. Service Users should be fully involved and lead, as much as possible, in designing and agreeing their care and support on an ongoing basis. Increasingly, this will include using Service Provider managed personal budgets / Individual Service Funds (ISFs) and direct payments to facilitate maximum choice, control and flexibility over their own support arrangements.
- **Value for Money** – the Contract delivers better value for money through preventative support and more flexible and innovative support targeting support on what matters to Service Users.

3.3 During the lifetime of the current and future contracts, workforce development will be key to ensuring that Tower Hamlets residents continue to receive high quality homecare. Officers will work in partnership with homecare providers on a workforce plan aligning this wherever possible to the NHS North East London Integrated Care System (ICS) so that care workers and their employers can both benefit from improved retention and career development opportunities and there is a clear plan to support their learning and development.

3.4 Homecare for adults is currently commissioned across four localities in Tower Hamlets (North West, South West, North East and South East). These locality areas align with the structure of the Adult Social Care operational teams and the operational teams of our partners in the NHS including the Primary Care Networks (PCNS). This operational model facilitates close partnership working and joint resolution of problems and issues arising during the contract. Across the four localities, there are currently five homecare providers supporting approximately 2,000 adults at any one time with their care and support needs. Annual spend with the five commissioned providers is £30.17 million out of total homecare spend of approximately £31.36 million pa.

3.5 The commissioned providers are:

- Diversity Health and Social Care
- Mi Homecare
- Excel Care
- Care Solutions Bureau
- Apasen Home and Community Services

3.6 All of the five commissioned providers are currently rated by the Care Quality Commission (CQC) as 'Good'. Officers from the Council also carry out regular monitoring visits and performance monitoring activity to ensure that providers are evidencing that they are consistently providing good quality, safe care to residents. As part of this monitoring framework, service users are asked for their views on the satisfaction with the homecare they are receiving. From the most recent quarterly survey (Q2 July- September 2022), 92% of users

reported that "Overall I have a positive experience of the services I am receiving from the homecare agency".

- 3.7 The current plans for the recommissioning of homecare services for adults in Tower Hamlets commenced in 2021. A homecare programme and project structure were established including an extensive period of consultation, engagement and coproduction to develop a new outcomes-based service specification and model, the development of revised contract management and monitoring systems, the parallel transition to outcomes-based care and support planning using the IT system Mosaic and revisions to the payments process for providers.
- 3.8 A tender was issued on 29th April 2022 to commence the procurement process. The first phase the procurement resulted in a total of 22 homecare providers being accepted to proceed to the second phase. The tender process has now been aborted.
- 3.7 Following a review of the contractual basis on which the current tender was based four principles relating to the Council's new proposals emerged as follows:
- A. A reduction in the proposed length of contract from the previously proposed 9 years (5+1+1+1+1) to a total of between 3-4 years
 - B. To exclude the requirement for all homecare providers to use an Electronic Home Care Monitoring System (EHCMS) in order to receive work from Tower Hamlets Council
 - C. An increase in the number of commissioned providers of homecare from the currently proposed maximum of 12 (3 per locality) to a suggested number of 25 providers
 - D. An increase in the guaranteed hours offered to all care workers delivering homecare to Tower Hamlets residents from the current 12 hours to 25-30 hours per week.
- 3.9 The impact of these changes is currently being considered by Officers and a preferred model of homecare to address these changes will be presented to Cabinet in early 2023. This will be the subject of a separate paper.

4 EQUALITIES IMPLICATIONS

- 4.1 As part of the commissioning process, Officers will undertake an Equalities Impact Assessment to assess whether the changes to the service and contractual model would have any impacts on those with protected characteristics. Mitigations will then be identified and acted on to minimise any adverse impacts.
- 4.2 The Council is committed to employing a workforce that reflects the diverse communities of the borough with regard to ethnicity, languages and culture, and expects homecare providers to demonstrate the same commitment. Currently, there is a large under representation of White British ethnicity in the

homecare workforce in comparison to service users and the population of the Borough; 2 % of the workforce are White British when they make up 28% of service users and 45% of the Borough residents. There is also an underrepresentation of male carers in the workforce

- 4.3 Officers will work proactively with homecare providers to target groups that are underrepresented through recruitment, retention and career development initiatives.

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 contracts awarded to homecare providers will need to ensure Best Value for the Council whilst ensuring that these contracts are compliant with the UNISON Ethical Care Charter and that all care workers are paid at least the London Living Wage.

- 5.3 It will be important to ensure that all personal data processed and stored by the providers is kept secure and in compliance with the General Data Protection Regulations (GDPR). This will form part of the contract conditions.

- 5.4 Officers will seek evidence of Social Value both during the tender period and subsequently work with homecare providers to ensure this is realised including increasing employment and training opportunities for residents of Tower Hamlets. Homecare providers will therefore actively seek to improve local employment and where possible offer opportunities to local individuals. This will include opportunities for Service Users as appropriate to the outcomes they are seeking.

6 COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 Homecare services for adults are a significant part of the Adult Social Care budget. The 2022/23 budget for homecare services is projecting an overspend position against the £30.74m budget by £0.62m, with expenditure currently projected at £31.36m.

- 6.2 Demand and budget pressures are increasing in this area, with a rise in the number of people assessed as needing care and support and a move towards

caring for people in their own home rather than in bed-based care settings e.g., care homes.

- 6.3 The current framework provides for annual inflation increases to providers based largely on London Living Wage, which is due to increase by £0.90 from April 2023 (an 8.14% increase). Further risk pressures will result from the Fair Cost of Care exercise and Funding Reforms, in addition to the financial risks highlighted in this report. These will be in addition to the existing financial challenges of meeting increasing costs within the available budget envelope and an existing overspend position.
- 6.4 Further financial risks associated with potential changes to the retender proposals identified in the report will need to be quantified prior to recommencing the programme of re-commissioning, along with the impact of the potential mitigations. These will need to be assessed against available budget resources.

7 COMMENTS OF LEGAL SERVICES

- 7.1 The Council has a legal duty to provide this care to people who need it. The Council also has a legal duty to ensure that the way in which its legal functions are delivered represent Best Value. Acquiring these services following a tender process where bids are subjected to evaluation based on pre-advertised evaluation criteria will meet both these legal imperatives.
- 7.2 Commencing a new procurement process will lead to a delay to the start of the contract. The Council's legal duty to provide this care means that the Council is not allowed to have a break in the provision of the services by law. Therefore, the Council needs to extend the existing contracts to ensure that the care duty continues to be met. This also demonstrates that the extensions are out of necessity rather than to act anticompetitively.
- 7.3 The Council should only abandon a procurement process where the Council has reasonable grounds for so doing. If the Council continued with the current process and awarded contracts under the current basis it would be obliged to purchase services where the mode of their delivery does not meet the Council's new requirements. This represents reasonable grounds for abandonment. Award of contracts under the current tender basis would not meet the Council's vision for the delivery of this legal function. Therefore, the Council must abandon the process and start on a new basis that does meet the Council's vision in order to achieve Best Value.
- 7.4 Many of the stakeholders in these services are people who have a protected characteristic for the purposes of the Equality Act. Therefore, any changes will be subject to appropriate measures such as an equality assessment so that the Council can determine the impact of any changes with people who have protected characteristics prior to implementing the changes in a new specification or procurement methodology.

Linked Reports, Appendices and Background Documents

Linked Report

Cabinet Contracts Forward Plan Q3 2021-22 at [6.6a Appendix. 1 for Contracts Forward Plan 202122 Quarter Three.pdf \(towerhamlets.gov.uk\)](#)

Cabinet report 22 September 2021 [AHSCS5019 Domiciliary and Personal Care Contracts Extension](#)

Appendices

None

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

None

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